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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1966

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

FIRST SESSION

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

JOHN J. ROONEY, New York, *Chairman*

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JOHN M. SLACK, Jr., West Virginia
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JAY B. HOWE, *Staff Assistant to the Subcommittee*

DEPARTMENT OF JUSTICE

Printed for the use of the Committee on Appropriations

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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1966

MONDAY, MARCH 1, 1965.

DEPARTMENT OF JUSTICE

WITNESSES

HON. NICHOLAS deB. KATZENBACH, ATTORNEY GENERAL
RAMSEY CLARK, DEPUTY ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

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

SUMMARY OF 1966 BUDGET REQUEST

This morning, gentlemen, we shall commence consideration of the appropriations requests for the Department of Justice. The total such requests for the fiscal year 1966 are in the amount $373,834,000, which would be an increase of $8,705,000 over the amounts appropriated to date in the current fiscal year.

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

(The pages follow:)

Summary of personnel

[Dollar amount in thousands]

	1964 actual			1965 estimate			1966 estimate			Employment as of Nov. 30, 1964
	Permanent positions	Average number of all employees	Total personnel compensation	Permanent positions	Average number of all employees	Total personnel compensation	Permanent positions	Average number of all employees	Total personnel compensation	
APPROPRIATED FUNDS										
Legal activities and general administration:										
Salaries and expenses, general administration	563	544	$3,913	575	549	$4,303	598	576	$4,601	541
Salaries and expenses, general legal activities	1,617	1,519	15,063	1,723	1,638	17,305	1,724	1,645	17,651	1,543
Salaries and expenses, Antitrust Division	608	563	5,441	614	557	5,869	614	554	5,921	558
Salaries and expenses, U.S. attorneys and marshals	2,835	2,783	21,983	2,882	2,808	24,132	2,922	2,846	24,531	2,820
Fees and expenses of witnesses			893			965			1,040	
Total, legal activities and general administration	5,623	5,409	47,293	5,794	5,552	52,574	5,858	5,621	53,744	5,462
Federal Bureau of Investigation: Salaries and expenses, Federal Bureau of Investigation	14,422	13,829	118,812	14,776	14,239	129,004	15,583	15,046	135,632	14,730
Immigration and Naturalization Service: Salaries and expenses, Immigration and Naturalization Service	7,058	6,675	53,733	7,097	6,695	57,888	7,085	6,639	57,981	6,733
Federal prison system:										
Salaries and expenses, Bureau of Prisons	5,373	5,322	37,379	5,330	5,318	40,413	5,386	5,362	41,035	4,990
Buildings and facilities, Federal prison system	52	40	314	52	40	318	52	40	320	26
Support of U.S. prisoners			178			185			191	
Total, Federal prison system	5,425	5,362	37,871	5,382	5,358	40,916	5,438	5,402	41,546	5,016
Total, appropriated funds	32,528	31,275	257,709	33,049	31,844	280,382	33,964	32,708	288,903	31,941
EXPENSE LIMITATIONS										
Office of Alien Property: Salaries and expenses, Office of Alien Property	48	53	535	46	52	540	21	23	263	39
Federal Prison Industries, Inc.: Administrative and vocational expenses	197	200	1,496	197	205	1,736	202	212	1,836	181
Total, expense limitations	245	253	2,031	243	257	2,276	223	235	2,099	220
Grand total, appropriations and limitations	32,773	31,528	259,740	33,292	32,101	282,658	34,187	32,943	291,002	32,161

Summary of personnel compensation

[Dollars in thousands]

	1964 actual	1965 estimate	1966 estimate	1966 increase (+) or decrease (−) over 1965	
				Amount	Percent
Permanent positions	$241,340	$262,991	$271,005	+$8,014	+3.05
Positions other than permanent	1,363	1,677	1,516	−161	−9.60
Special personal service payments	2,299	2,460	2,466	+6	+.24
Other personnel compensation	13,845	14,565	14,975	+410	+2.81
Fees	893	965	1,040	+75	+7.77
Total	259,740	282,658	291,002	+8,344	+2.95

Summary of obligations by objects

[Dollars in thousands]

		1964 actual	1965 estimate	1966 estimate	1966 Increase (+ or decrease (−) over 1965	
					Amount	Percent
11	Personnel compensation	$259,740	$282,658	$291,002	+$8,344	+2.95
12	Personnel benefits	18,801	20,275	21,018	+743	+3.66
21	Travel and transportation of persons	14,366	14,380	15,171	+791	+5.50
22	Transportation of things	1,548	1,547	1,798	+251	+16.22
23	Rent, communications and utilities	8,096	8,535	8,965	+430	+5.04
24	Printing and reproduction	1,943	1,988	2,067	+79	+3.97
25.1	Other services	9,372	9,757	10,331	+574	+5.88
25.2	Services of other agencies	675	677	679	+2	+.30
26	Supplies and materials	13,921	13,963	14,217	+254	+1.82
31	Equipment	6,178	8,902	7,705	−1,197	−13.45
32	Lands and structures	2,907	26,326	5,237	−21,089	−80.11
41	Grants, subsidies and contributions	210	212	295	+83	+39.15
42	Insurance claims and indemnities	68	66	84	+18	+27.27
44	Refunds	32	31	31		
91	Unvouchered	68	70	70		
94	Change in selected resources	1,863	−2,633	−108	+2,525	+4.10
95	Quarters charges	−473	−529	−529		
	Total obligations	339,315	386,225	378,033	−8,192	−2.12
	Transfer to "Operating expense, Public Buildings Service," General Services Administration	77	6		−6	−100.00
	Advances and reimbursements	−50	−50	−50		
	Unobligatd balances:					
	Brought forward [1]	−1,957	−8,215	−1,590	+6,625	+19.35
	Carried forward [1]	8,215	1,590	125	−1,465	−2.14
	Lapsing	1,729				
	Proposed supplemental due to civilian pay increase		−11,577		+11,577	+100.00
	Total, appropriations and limitations	347,329	367,979	376,518	+8,539	+2.32

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

Mr. ROONEY. We are pleased to have with us this morning the distinguished Attorney General of the United States, Mr. Nicholas deB. Katzenbach, whom we should compliment on his recent nomination by the President as Attorney General and his subsequent approval by the other body.

I should also welcome the distinguished Deputy Attorney General, who is proceeding along his father's footsteps. I can remember when his father was Assistant Attorney General.

You may proceed, Mr. Attorney General.

Mr. KATZENBACH. I have a statement, Mr. Chairman. Would you like me to read it?

Mr. ROONEY. Please do whatever you figure you should do.

Mr. KATZENBACH. It summarizes briefly the work of the Department and perhaps it would be helpful.

Mr. ROONEY. You may proceed in whatever fashion you propose.

GENERAL STATEMENT

Mr. KATZENBACH. I am pleased to appear before you today. This is my first testimony before a congressional committee since I was sworn in as Attorney General and it is only fitting that it be before a group of legislators who know the Department so well—and whom we in the Department know so well.

There is a note of sadness in my appearance here today——

Mr. ROONEY. This reminds me that somebody, I think it was Newsweek magazine, said I had six people from your Department assigned to me permanently, six agents from the FBI.

Mr. KATZENBACH. I saw that, I was about to do an investigation of it.

Mr. ROONEY. Associate Director Clyde Tolson subsequently wrote a letter to the editor of Newsweek magazine in which he said there was not the slightest truth in it, but Newsweek still persisted that there were not five agents but six agents assigned to me. This is all good publicity back home. Some folks might think I were important.

Mr. KATZENBACH. As I started to say, Mr. Chairman, there is a note of sadness in my appearance here today because for the first time in 30 years I am not accompanied by our devoted and able Assistant Attorney General, Sal Andretta, who has been sick, as the committee knows, but has asked me to express his unhappiness at not being here and the hope he will be here in the near future.

Mr. ROONEY. We all very much regret his inability to be with us this morning and wish him a speedy and complete recovery from his illness and hope it will not be long before he is back with you in the Department and before this committee again.

Mr. KATZENBACH. Thank you; I certainly hope so, because it does not seem like home in the Department without him.

Mr. BOW. Mr. Chairman, will you yield?

Mr. ROONEY. Yes, Mr. Bow.

Mr. BOW. Mr. Attorney General, I want personally to say how much we miss Mr. Andretta here this morning. On behalf of the minority may I say he has always been most cooperative with us and has always made available information we need from the Department. We miss him very much and hope he will be back soon.

Mr. KATZENBACH. Thank you, Congressman. I appreciate your remarks and I know he will appreciate them.

I am also pleased to appear today because it gives me an opportunity to report to you briefly on what the Department has been doing.

Since I have been the head of the Department for such a short time, I will not go into specifics. You will soon hear the detailed testimony of the associates on whose services I, the Department, and indeed the country are so fortunate to rely. But there are a few areas on which I would like to report to you briefly.

Principally, if the population and economy of the United States continue to swell, so the activities of Government become more num-

erous and more complex. The work of the Department necessarily increases. We have sought to absorb as much of this workload as possible by making every dollar and every hour count.

The day will certainly arrive when we will be unable to keep up with this mushrooming workload without a significant increase in staff. But for the time, through continued energy and emphasis on internal efficiencies, we have been able to keep pace without dramatic personnel increases.

INCREASES REQUESTED

You will note that the Department of Justice is asking for a 1966 appropriation of $373,834,000. This is slightly less than the total amount appropriated last year. But that comparison is not fair. More than $15 million of the 1965 amount was for construction and nonrecurring costs. Thus, a fair comparison will show that we are, in fact, asking for an increase in 1966 of $12,756,000. I would like to analyze briefly why we believe this increase is essential.

With a few exceptions, the funds requested are to carry on the regular activities of the Department. For example, $2,149,000 or 17 percent is for automatic increases to cover the cost of complying with statutory provisions related to salaries and postal rate increases.

Another 22 percent is to cover higher costs of maintaining existing staffs and services.

The bulk of the remaining $7,730,000—61 percent— is to cover new staff and facilities for the FBI. Despite increases both in the volume of its work and in its responsibilities, the FBI has not sought additional personnel for 2 years. Now, however, the work pressures are sufficiently great to make this request essential. Mr. Hoover will, of course, go into this subject in detail when he appears before you.

The remaining requests for additional staff are largely in three areas. One is for the operation of the Federal prison system. This includes a personnel request for a project in which we are particularly interested—an additional prerelease guidance center or "halfway house."

This is the program that has had such great success in rehabilitating youthful offenders by helping to ease them back into society on a self-sustaining basis. The budget request for the Bureau of Prisons also includes a small increase in the number of medical and psychiatric physicians which is essential if we are to carry out the growing use of these tools by the district courts.

And we should use them. It is the purpose of Myrl Alexander, the experienced and able new head of the Bureau of Prisons, to put maximum emphasis on rehabilitation, just as that was the purpose of James V. Bennett, his distinguished predecessor, whose views on penology have had such a historic impact.

The second area in which we are requesting an increase is in the U.S. attorneys' appropriation. This request is designed to provide 40 new positions to strengthen and intensify our collection procedures. A recent congressional report, following a General Accounting Office survey, indicated that substantial sums due the United States in judgments, fines, and forfeitures are unnecessarily delayed in collection.

While many U.S. attorneys' offices are doing a good job on collections, others are hampered primarily because they do not have the necessary staff. Pushing collections, as you gentlemen know, is tedious and time consuming, and we believe this request will more than pay for itself in revenues.

The third area is the only one in which we have sought to expand to undertake new responsibilities—the new Office of Criminal Justice, which Attorney General Kennedy established after passage of the Criminal Justice Act of 1964.

That highly significant legislation made even more tangible the needs of an area of extreme significance. The debates over issues of individual rights as against the needs of law enforcement are accelerating daily and the Department can and should work toward resolution of these differences. Generally stated, that is the long-term goal of this new office.

In the meantime, the Office has immediate specific responsibilities. One is to assist in the implementation of the Criminal Justice Act. Another is to press further the work of the Attorney General's Committee on Poverty and the Administration of Criminal Justice. This Committee submitted its report in February 1963, and a number of its proposals require continuing action within the Department.

Still another responsibility of the Office of Criminal Justice is continuing effort toward bail reform in the Federal system and cooperation with the swelling number of bail reform projects within the States.

This last aspect reflects one of the important functions of this Office as a vehicle for close cooperation, not only within the Federal Government but with State, local, private, and professional groups concerned with the administration of criminal law. Thus, the Office is examining a wide range of problems where constructive action is possible, extending from arrests and pretrial procedural problems to sentencing, parole, and probation.

I do not wish you to think of this Office as interested only in rights of defendants. It is concerned, too, with the rights of society and with the task of balancing effective law enforcement and individual liberty.

Because of the urgency of the problems in this field, we have, since the Office was established, carried on a very limited program with borrowed personnel, and we were extraordinarily fortunate to secure the services of Prof. James Vorenberg of the Harvard Law School to direct this Office on a part-time basis. He is with me this morning. Our request for 1966 is for 12 positions at a cost of $145,000 for this Office.

There is one other request in the budget before you which is not directly related to the Department of Justice, but on which I would, nonetheless, like to comment.

It is for funds to implement the extension of the Commission on International Rules of Judicial Procedure. This is the body, as you will recall, which has done such worthwhile work to ease and expedite private litigation which crosses national boundaries. The life of the Commission already has been extended and the appropriation requested is for implementation.

I said at the outset that I was proud of the excellent job the Department has done in the past year. Let me report to you briefly on these activities.

Under Attorney General Kennedy the Department, and indeed the entire spectrum of Federal law enforcement agencies, began an intensive effort against organized crime and racketeering. We have sought to maintain the momentum of that effort.

The number of racketeers convicted is a telling reflection of that work. Racketeering convictions in calendar 1960 totaled 45. That increased nearly 700 percent by calendar 1963 when there were 288 convictions. And in calendar 1964, we convicted 546 racketeers, twice the number of the previous year and more than 10 times the number in 1960.

These convictions—for gambling, narcotics, bootlegging, labor-management racketeering, official corruption, and other forms of organized crime—are the work of many hands. The 26 different Federal law enforcement agencies who share in this effort deserve our thanks.

But this is a battle which is far from won. If there is any single answer to the corrosion of our society by racketeers, it is in continued and increased day-to-day vigilance. This effort will continue undiminished.

There is a parallel national concern, not only for racketeering crime but for crime in general. The chief responsibility for general law enforcement in our system rests, of course, on State and local authorities. But we are working to intensify and expand the assistance which the Federal Government can offer to those authorities. This is a subject to which President Johnson is devoting urgent attention and on which he will have more to say shortly.

In the field of civil rights, 1964 was an extraordinarily important year for two major reasons: One, of course, was the enactment of the historic Civil Rights Act of 1964. The second reason is the extraordinary level of compliance with the act which was demonstrated by the great majority of the people of the South. Even where disagreement was strongest and emotion most intense, the people of the South, by and large, obeyed.

I do not mean to minimize the scope or the complexity of the problems which remain. No single statute can redress wrongs so deep and so long lasting. There is much to be done.

Within the Department we have suffered the great loss of Burke Marshall as Assistant Attorney General in charge of the Civil Rights Division. It is rare to find men in whom brilliance is coupled with such understanding and sensitivity. At the same time, we may count ourselves fortunate that we had a lawyer and gentleman of the caliber of John Doar to take over. And I particularly wish to state my confidence that he is an effective leader and administrator, as well as an exceptional trial lawyer.

We still are not fully staffed in the Civil Rights Division but hope to be shortly. We are taking pains to find attorneys of the ability—and, I might say, the stamina—necessary for work in this field.

I am particularly delighted to report to you on the accomplishments of the Lands, Civil, and Tax Divisions, the three Divisions which

handle most of our general legal work. They did more new work; cut the backlog of old work; brought in more money; and did all this without significant increases in personnel.

I would like to commend to your special attention the achievements of the Lands Division. I do so not only because of a superb record, but also because of the path followed by its Chief.

The Lands Division saved over $300,000 in its $3.5 million budget for the third consecutive year. The Division voluntarily requested a $200,000 budget reduction for fiscal 1965 and called for a 10-percent reduction in manpower to the lowest level since 1939.

What do you do with a fellow like Ramsey Clark who, in a continually expanding government, compiles that kind of record? You ask him if he wants to be Deputy Attorney General. To my very great satisfaction (and considering that record, I suspect to your great satisfaction), he accepted. He is an able attorney and administrator, and a valued colleague.

There were similar accomplishments in the Civil Division of the Department which turned over almost $43 million to the U.S. Treasury as the result of successful litigation.

This substantially exceeded the high in any previous year—a gain accomplished with no increase in manpower.

The Tax Division set new highs in cases closed, trials conducted, civil cases won, criminal cases won, and collections from delinquent-tax payers. New cases exceeded 10,000 for the first time in the 30-year history of the Division. And the Division not only kept up with these, but was able to reduce the backlog of all cases.

This record is, in large part, the result of very able personnel. As you know, we are seeking to obtain younger lawyers and encourage them to make a career in government. And, thus, you will note we are again requesting your consideration for the Tax Division promotion plan, costing $100,000, which was submitted last year. The Bureau of the Budget has approved this plan in principle.

My colleagues will be here to discuss their responsibilities in detail, but I will be pleased to answer any questions the committee may have now.

Mr. ROONEY. Yes, Mr. Joelson?

Mr. JOELSON. I have no questions, I would just like to say that the Attorney General and I are fellow New Jerseyites.

Mr. ROONEY. I take it that is the reason you wanted the photograph this morning?

Mr. JOELSON. Yes. And we also have a Secretary of Commerce from New Jersey, which proves Texas is not the only State in the Union. I have no questions.

Mr. SIKES. Do you think it is wise to call attention to a matter of that kind? It is a challenge; is it not?

Mr. ROONEY. Were you here Thursday?

Mr. JOELSON. Yes.

Mr. ROONEY. It was indicated that Texas is not the only State in the Union.

PERSONNEL ON LOAN TO OTHER AGENCIES

Mr. CEDERBERG. How many personnel do you have in the Justice Department on loan to other agencies?

Mr. KATZENBACH. I could not give you an exact figure on that. It comes up rarely, in individual cases, that we loan a person either to another agency of government or sometimes to a State. I think it was a year ago we loaned an attorney to try a very complicated securities case. It was a State matter in Alaska and they had no one familiar with that. They paid for his services. He was there 3 or 4 months. Ocasionally we have loaned people. Mr. Clark was loaned to the President for 3 or 4 weeks to help out in the White House just before Christmas.

Mr. CEDERBERG. Would you insert in the record the loans of personnel and the agencies to which they were loaned?

Mr. KATZENBACH. Yes.

(The information follows:)

Employees loaned to other agencies

Name	Division	Position	Grade	Salary	Loaned to
Gerald F. Charig	Office of Alien Property.	Attorney	14	$16, 130	Foreign Claims Settlement Commission.
Thomas Cotter	Internal Security.	Administrative officer	13	13, 775	Department of the Treasury.
Ruby M. Mighall	do	Clerk	6	6, 245	Do.
Frances J. Scopeletis	do	do	6	6, 245	Do.
Barbara Duras	do	do	5	5, 165	Department of State.
Helena Lopez	do	do	4	4, 480	Department of Defense.
Elizabeth Cope	Administrative	do	4	5, 530	White House Office.
Sandy Watson	Criminal	do	3	4, 005	Do.

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

Mr. ROONEY. If there are no further questions, gentlemen, we thank you, Mr. Attorney General.

Mr. KATZENBACH. Thank you, Mr. Chairman.

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

WITNESSES

RAMSEY CLARK, DEPUTY ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE
JAMES VORENBERG, SPECIAL ASSISTANT TO THE ATTORNEY GENERAL, DIRECTOR OF OFFICE OF CRIMINAL JUSTICE

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	3,836	4,267	4,590
11.3	Positions other than permanent	38	36	16
11.5	Other personnel compensation	39		
	Total personnel compensation	3,913	4,303	4,606
	Direct costs:			
	Personnel compensation	3,867	4,257	4,560
12.0	Personnel benefits	290	309	330
21.0	Travel and transportation of persons	98	115	126
22.0	Transportation of things		1	1
23.0	Rent, communications, and utilities	98	102	125
24.0	Printing and reproduction	33	52	53
25.1	Other services	50	59	59
25.2	Services of other agencies	11	12	12
26.0	Supplies and materials	41	60	61
31.0	Equipment:			
	Accessions	12	15	15
	Continuations	110	94	115
	Other	19	46	68
	Total direct costs	4,629	5,122	5,525
	Reimbursable costs:			
	Personnel compensation	46	46	46
12.0	Personnel benefits	4	4	4
	Total reimbursable costs	50	50	50
	Total costs, funded	4,679	5,172	5,575
94.0	Change in selected resources	18		
99.0	Total obligations	4,697	5,172	5,575

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	563	575	598
Full-time equivalent of other positions	5	1	1
Average number of all employees	544	549	576
Average GS grade	7.0	7.0	7.1
Average GS salary	$7,272	$7,864	$8,029
Average salary of ungraded positions	$5,585	$5,585	$5,585

Program and financing

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Program by activities:			
	Direct program:			
	1. Executive direction	896	1,012	1,175
	2. Administrative review and appeals	898	1,004	1,164
	3. Administrative services	2,835	3,106	3,186
	Total direct costs	4,629	5,122	5,525
	Reimbursable program:			
	3. Administrative services	50	50	50
	Total program costs, funded	4,679	5,172	5,575
	Change in selected resources [1]	18		
10	Total obligations	4,697	5,172	5,575
	Financing:			
13	Receipts and reimbursements from trust fund accounts (78 Stat. 717)	−50	−50	−50
25	Unobligated balance lapsing	13		
	New obligational authority	4,660	5,122	5,525
	New obligational authority:			
40	Appropriation	4,660	4,850	5,525
44	Proposed supplemental due to civilian pay increases		272	
	Relation of obligations to expenditures:			
10	Total obligations	4,697	5,172	5,575
70	Receipts and other offsets (items 11-17)	−50	−50	−50
71	Obligations affecting expenditures	4,647	5,122	5,525
72	Obligated balance, start of year	293	344	386
74	Obligated balance, end of year	−344	−386	−611
77	Adjustments in expired accounts	6		
90	Expenditures excluding pay increase supplemental	4,601	4,826	5,282
91	Expenditures from civilian pay increase supplemental		254	18

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, $22,000; 1964, $40,000; 1965, $40,000; 1966, $40,000.

Mr. ROONEY. The first of the items which make up the budget of the Department of Justice is entitled "Salaries and expenses, General Administration" and is to be found at page 81 of the committee print. The justifications in regard thereto are to be found under tab 1 of the justification book.

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

(The pages follow:)

Summary analysis of estimate

	In thousands
Appropriated, 1965	$4,850
Proposed pay act supplemental	272
Appropriation, 1965 (adjusted)	5,122
Estimate, 1966	5,525
Increase, 1966 over 1965	403

Analysis by activities

Office of activity	1965 requirements	Increases	1966 estimate
Attorney General	$325,000	$4,400	$329,400
Deputy Attorney General	686,700	156,300	843,000
Pardon Attorney	95,800	6,600	102,400
Board of Parole	576,900	134,700	711,600
Board of Immigration Appeals	331,800	4,200	336,000
Library	300,300	24,100	324,400
Administrative Division	2,855,500	72,700	2,928,200
Subtotal	5,172,000	403,000	5,575,000
Less reimbursements, Office of Alien Property	−50,000		−50,000
Total, direct obligations	5,122,000	403,000	5,525,000

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 1966 estimates provide for the additional cost in that year of the 1964 pay act increases and other statutory personnel costs. Funds are also requested to finance the operations of the newly created Office of Criminal Justice under the Deputy Attorney General and additional staff for the Board of Parole to assist with heavier workloads involving additional hearings and reviews.

Mr. ROONEY. These pages indicate that the request is in the amount $5,525,000, which would mean a requested increase of $675,000 over the amount appropriated in the current fiscal year.

OFFICE OF THE ATTORNEY GENERAL

The first of the subitems is entitled "Office of the Attorney General" and the details in regard thereto are to be found under tab 3 of the justification book.

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

(The pages follow:)

Office of the Attorney General

Appropriation, 1965	$296,500
Proposed pay act supplemental	28,500
Appropriation adjusted, 1965	325,000
Estimate, 1966	329,400
Increase	4,400

This is the office of the Cabinet officer in charge of the Department of Justice and the chief law officer of the Federal Government. Upon request he gives legal advice and opinions to the President and heads of the executive depart-

ments of the Government. The Executive Assistant to the Attorney General and the Director of Public Information are attached to the Office of the Attorney General and report directly to the Attorney General.

AMOUNT REQUESTED

It is estimated that an appropriation of $329,400 will be needed to support the activities of the Attorney General's immediate office in fiscal year 1966. This is $4,400 more than the total required for 1965, all of which is needed to meet the cost of statutory pay increases.

Since the Office of Attorney General is presently vacant and a new Attorney General probably will not be appointed until January 1965, this budget is based on the existing organizational plan and the most recent financial requirements of the Office.

The requested increases are for the following purposes:

Costs due to statutory provisions:	
Step increases due in fiscal year 1966	$3,700
Additional cost of 1964 Pay Act in 1966	400
Personnel benefits related to above	300
Total	4,400

Mr. ROONEY. The inserted pages indicate the request is in the amount $329,400, an increase of $4,400 over the base figure. The three items which make up this requested $4,400 increase are set forth on page 3–3, and are all due to statutory provisions. Is that correct?

Mr. BROWN. That is correct, sir.

OFFICE OF THE DEPUTY ATTORNEY GENERAL

Mr. ROONEY. The second item is entitled "Office of the Deputy Attorney General" and the details in regard thereto are to be found at tab 4 of the justification book.

We shall at this point insert in the record pages 4–1 through 4–7, which indicate the request is in the amount $843,000, which would mean a requested increase of $156,300 over the 1965 adjusted appropriation.

(The pages follow:)

Office of the Deputy Attorney General

Appropriation, 1965	$640,000
Proposed pay act supplemental	46,700
Appropriation adjusted, 1965	686,700
Estimate, 1966	843,000
Increase	156,300

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

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

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

AMOUNT REQUESTED

It is estimated that an appropriation of $843,000 will be required for this office for the fiscal year 1966. This is an increase over 1965 of $156,300 of which $10,600 is needed to meet the cost of statutory provisions relating to employees' compensation, and $145,700 is requested to staff and operate the Office of Criminal Justice established by Attorney General Kennedy in August 1964. The details are as follows:

Cost of statutory provisions:		
Additional costs in 1966 of 1964 Pay Act	$600	
Step increases due in fiscal year 1966	9,300	
Personnel benefits related to above	700	
		$10,600
Office of Criminal Justice, additional staff and facilities:		
Salaries:		
4 GS–15 attorney	$65,840	
1 GS–14 attorney	14,170	
1 GS–13 attorney	12,075	
1 GS–11 attorney	8,650	
1 GS–9 attorney	7,220	
1 GS–7 clerical	6,050	
1 GS–6 clerical	5,505	
2 GS–5 clerical at $5,000	10,000	
Total	129,510	
Less 2 months lapse	19,510	
Total salaries		110,000
Benefits 7½ percent	8,600	
Travel	1,000	
Rent ($1,000 multiplied by 12 divided by 5/6)	10,000	
Communications ($278 multiplied by 12 divided by 5/6)	2,800	
Printing and reproduction	600	
Supplies ($50 multiplied by 12)	600	
Equipment ($2,500 multiplied by 3 directors and associate directors equals $7,500; $375 multiplied by 5 attorneys equals $1,865; $700 multiplied by 4 clericals equals $2,800)	12,100	
		145,700
Total increase		156,300

ADDITIONAL STAFF FOR OFFICE OF CRIMINAL JUSTICE

It is estimated that $145,600 will be needed to employ a staff of 12 and operate the Office of Criminal Justice during the fiscal year 1966.

The Office of Criminal Justice was created as a part of the Office of the Deputy Attorney General by Attorney General Kennedy in August 1964. Its creation coincided with the enactment of the Criminal Justice Act of 1964, and one of the responsibilities of this office is to assist with the implementation of that act. An additional responsibility of the office is to press further the work of the Attorney General's Committee on Poverty and the Administration of Federal Criminal Justice which submitted its report to the Attorney General in February of 1963. A number of the proposals of that Committee require continuing action within the Department. A closely related responsibility of the Office of Criminal Justice will be continuing work on bail reform in the Federal system and cooperation toward this end with persons responsible for the administration of bail within the States.

The Office will examine a wide range of areas within the administration of criminal law where construtive action is possible to improve the quality of justice consistent with the urgent needs for law enforcement. The scope of its responsibility extends from arrest and procedural problems before trial to the sentencing, parole, and probation areas.

It is anticipated that in carrying out its functions the Office will work closely with various branches of the Department of Justice and other parts of the Federal Government concerned with criminal law, as well as with State officials, private and professional groups, universities and other groups and

individuals concerned with criminal law administration. Indeed, it is an important function of the Office of Criminal Justice to provide a means for bringing together the views—too often sharply divided—of those involved in various ways in the administration of criminal law, and to consider and propose sound solutions to problems in the field.

GENERAL STATEMENT

Requests from congressional committees, the Bureau of the Budget, and miscellaneous sources on legislative proposals and bills introduced continue in great numbers. As of August 31, 1964, the Department received 1,637 requests for comment on public legislation and 168 requests on private legislation for a total of 1,805. In addition, the volume of inquiries received from individual Members of Congress and the public continues to soar.

The Executive Office for U.S. Attorneys during fiscal year 1964 continued its drive to reduce the heavy load of spending cases in the U.S. attorneys' offices. There was also a concentrated drive in regard to collection matters which resulted in a great increase in the amount of money collected. Attorneys from the Executive Office visited and inspected 44 U.S. attorneys' offices during the fiscal year to render operational assistance and advice, with special emphasis on collection procedures and review of pending matters and cases. During the year the Executive Office processed 190 appointments and 153 resignations of assistant U.S. attorneys. The Attorney General's recruitment program for honor law graduates was administrated by this office and the Attorney General's annual report was edited by the staff.

The Executive Office for U.S. Marshals exerted every effort during fiscal year 1964 to improve management and administration at the district level. In this connection, training classes for chief deputy U.S. marshals were initiated, and the program of training classes for deputy marshals was continued. The Executive Office planned and supervised these training classes. Plans were formulated for holding the first national conference of U.S. marshals in Washington in August 1964. Accounting clerks of various marshals' offices attended a pilot administrative workshop in Washington, D.C. It is contemplated that more of these classes will be conducted in fiscal 1966. The organized crime and civil rights issues continued to present emergency situations in various parts of the country. Attorneys from the Executive Office went to these locations where they coordinated and directed operations and supervised the deputy marshals assigned to the areas. During the year, the Executive Office prepared and published revisions to the U.S. Marshals' Manual and the Training Manual.

Congress	Reports on bills [1]		
	Public	Private	Total
80th	983	656	1,639
81st	1,038	688	1,726
82d	945	498	1,443
83d	1,090	227	1,317
84th	1,223	167	1,390
85th	1,225	224	1,449
86th	1,395	151	1,546
87th	1,795	161	1,956
88th	1,423	169	1,592

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

Office of Criminal Justice

Mr. Rooney. The increases are set forth at pages 4–1 through 4–3 of the justifications book. The largest increase appears to be in the so-called "Office of Criminal Justice," $145,700, which would entail the addition of 12 positions to the payroll.

It appeared from the statement of the Attorney General that this Office is already in operation. Is that correct?

Mr. CLARK. It is already in operation on a somewhat limited basis; yes, sir.

Mr. ROONEY. Were funds ever requested of the Congress for this activity?

Mr. BROWN. No, sir; not up to this time, Mr. Chairman.

Mr. ROONEY. And you have a very large office down there entitled "the Criminal Division," do you?

Mr. BROWN. That is correct.

Mr. ROONEY. But this would be superimposed on the Criminal Division. Is that a fair statement?

Mr. CLARK. I would not think of it as a superimposition; no, sir.

Mr. ROONEY. What would you call it, Mr. Clark?

Mr. CLARK. I would call it a new service that the Department needs to render and hopes to render in the field of criminal justice. We have the 1964 Criminal Justice Act, we have the bail reform program, and we have the President's program on poverty and the administration of criminal justice. I look upon it as a constructive program in crime, as an initiative program in crime. It will work on matters relating to criminal justice with the several divisions in the Department of Justice that are involved in criminal work.

Mr. ROONEY. How many people do you have on the payroll in this Office now?

Mr. CLARK. It is a loan operation at the present time. There is no specific payroll for this Office. I think there are five full-time lawyers.

Mr. VORENBERG. Five lawyers and two stenographers on a full-time basis and I am on a part-time basis.

Mr. ROONEY. Where did you get the money for them?

Mr. BROWN. Mr. Vorenberg is Director of the Office and the lawyers are on loan from the Legal Division.

Mr. ROONEY. Is Mr. Vorenberg the one mentioned in the Attorney General's statement?

Mr. BROWN. Yes.

Mr. ROONEY. He is working only part time?

Mr. BROWN. Yes; and he is the only employee other than those on loan from other divisions.

Mr. ROONEY. What divisions?

Mr. BROWN. The Criminal Division furnished one or two and the Antitrust Division one, I believe.

Mr. VORENBERG. The three stenographic people are on the payrolls of the Antitrust and Civil Divisions.

Mr. ROONEY. Please insert at this point in the record the title of the positions, the amount of salary, and the divisions from whence they came.

(The information follows:)

List of employees loaned to Criminal Justice Unit in Office of Deputy Attorney General

Title	Grade	Salary	On loan from—
Attorney	15	$17,600	Antitrust Division.
Do	14	14,170	Criminal Division.
Do	12	10,250	Do.
Do	9	7,220	Lands Division.
Do	9	7,220	Do.
Clerk	5	5,825	Antitrust Division.
Do	5	5,000	Do.
Do	5	6,155	Office of Alien Property.

Mr. FLYNT. Mr. Chairman?

Mr. ROONEY. Mr. Flynt.

IMPLEMENTATION OF CRIMINAL JUSTICE ACT OF 1964

Mr. FLYNT. As I remember, the administrator of the courts dealt at length with the subject of the implementation of the Criminal Justice Act of 1964. I would like to ask Mr. Clark if I am correct in understanding him to say this activity would be in addition to that of the administrator of the courts in regard to this implementation?

Mr. CLARK. Yes. We would be working primarily through the U.S. attorney's offices, whereas the administrator of the courts would be working on the judicial side. That is my understanding of it. The administrative office would handle the money, as I understand it, for the actual payment of attorneys appointed to serve. Is that right, Jack?

Mr. BROWN. That is correct.

Mr. FLYNT. Is it your understanding that the U.S. attorney's office in each district will play a dominant role in the activities of the implementation of this act?

Mr. CLARK. No, sir; it is not a dominant role at all. They would be on opposite sides of the cases as they came up but there will be in many districts presumably more lawyers representing defendants on the other side.

Mr. ROONEY. How many people are going to direct this program?

Mr. CLARK. The Criminal Justice Act would be only one matter that this Office will deal with, and as it begins implementation it would seem to me most important that we watch carefully to make sure it is put into effect as efficiently and as effectively as possible.

NUMBER OF DIRECTORS

Mr. ROONEY. What is the meaning of the reference with regard to equipment at page 4–3 of these justifications—equipment $2,500 times three Directors and Associate?

Mr. CLARK. This is presumably office equipment for these people, and the three Directors are an error.

Mr. BROWN. One Director and two Associates, three altogether.

Mr. ROONEY. Three Directors and one Associate would be four, would it not? This says "three Directors and Associate."

Mr. BROWN. That is bad language. It should be one Director and two Associate Directors making a total of three.

Mr. ROONEY. Is that provided in the underlying law?

Mr. BROWN. No, sir. This is an internal organizational matter.

Mr. ROONEY. Why three? Why not two?

Mr. BROWN. Professor Vorenberg can probably answer that.

Mr. ROONEY. Professor, what about this?

Mr. VORENBERG. Our assumption was that the nature of the work of this Office made it imperative to have a Director and two Associates who might be responsible for the criminal areas.

Mr. ROONEY. Why?

Mr. VORENBERG. One of the problems in setting up this Office is that it does not have line functions. Its role is to explore in areas where the Department can make a significant contribution in improving the administration of criminal justice or law enforcement.

Mr. ROONEY. Be a bit more specific. You are too general at this point.

Mr. VORENBERG. Take an area such as Mr. Clark has just mentioned, the implementation of the Criminal Justice Act. Congress, when it passed the Criminal Justice Act, specifically imposed on the Justice Department the responsibility of coming back to the Congress after it had been in effect and advising whether the public defender option should have been included. This requires that we work with the Administrative Office of the Courts and the individual judges to try to set up a plan to evaluate how the act works out in its first few years. This whole area has been assigned to one of the Associate Directors of the Office. At the present time the Office only has one Associate Director. The other position has not been filled.

Mr. ROONEY. How does this business of two Directors and an associate or two associates and a Director come up in this budget, on your recommendation?

Mr. VORENBERG. On the combined recommendation of the Attorney General and myself on how a small office that would have the responsibilities this Office would have could best operate.

Mr. ROONEY. Let me get this straight. There will be one Director and two associates?

Mr. VORENBERG. Yes.

Mr. ROONEY. That is three Directors?

Mr. VORENBERG. Yes.

Mr. ROONEY. And how many Indians under these chiefs?

Mr. VORENBERG. The present budget calls for five.

Mr. ROONEY. Three Directors out of eight people?

Mr. BROWN. Twelve people.

Mr. ROONEY. I understood you were asking for 12 people?

Mr. BROWN. Yes, four clerks.

Mr. CLARK. The Directors are just names in a sense. They will be GS–15's.

Mr. VORENBERG. That is right.

Mr. ROONEY. You mean you would have four GS–15's set up in this budget at the basic cost of $65,840?

Mr. BROWN. That is correct.

Mr. CLARK. And two of those would be associates.

Mr. ROONEY. Are there any questions with regard to this unusual setup?

ATTEMPT TO JUSTIFY REQUEST

Mr. BOW. I have a question, Mr. Chairman. I have not heard anything yet to justify this amount of $145,700. All I have heard suggested so far is that this Office will make a study of the question of public defender, and the Administrative Officer of the Courts is set up to do that, too. I would like to know more about that. What is back of this whole thing of $145,000? How can you justify it? From what is on the record now there is no justification for it.

Mr. VORENBERG. May I explain that?

Mr. BOW. Yes, I would like somebody to explain that to us.

Mr. VORENBERG. I think the theory of having an office of this sort is that at the present time there is no person or group within the Department that has as its responsibility to examine possible changes or improvements in Department procedure.

Mr. ROONEY. That surely is a devastating statement.

Mr. VORENBERG. I am in the middle of a statement.

Mr. BOW. What Department are you talking about?

Mr. VORENBERG. In the Department of Justice. There is no group in the Department that has as its sole and primary responsibility a continuing evaluation of the Department's procedures in the area of criminal justice, or of seeking new ways that the apparently conflicting interests of improving the system of criminal justice can be reconciled with law enforcement; and with the added urgency that has been put on this problem by recent court decisions, by legislation of the Congress, and by increasing public concern in the amount and levels of crime and its impact, it seemed to the Attorney General it was important to have a group that was not concerned with the day-to-day prosecution of cases but rather could be in this role of a policy evaluator or policy planner.

Mr. BOW. What policy, Professor, are we going into?

Mr. VORENBERG. Well, we talked about only one and that is the problem of implementing the Criminal Justice Act. The Department has embarked upon a very broad program of bail reform, including the Attorney General's Conference last May, the Attorney General's National Conference on Bail, which has lead to bail reforms all over the country.

Mr. BOW. This was done before this Office was set up. You were able to do that in the Department.

Mr. VORENBERG. One of the things that has become clear since that Conference is that the only way the bail reform project could go forward in the States was to have some organized group responsible for carrying that work forward.

Mr. Bow. In other words, the Attorney General's Office will try to tell the States what to do in bail reform?

Mr. VORENBERG. Not telling the States what to do but offering the services of people who have worked on the problems of bail reform to State and local groups who are themselves considering bail reform. For instance, last month there was a six-State conference in Louisville on bail reform and the right to counsel and the Department, through our Office, assisted in the planning of this conference and made people available to help in carrying out the conference. This is an assistance role and not in any sense trying to tell the States what their procedure should be.

At the Federal level there is the problem of preparing some legislation to carry out the bail policy of the Federal Government and trying to increase releases on recognizance and decrease the costly and unfair holding of suspects awaiting trials. One of the tasks of our Office has been to help in drafting this legislation.

Since the Office was established we have been working with the U.S. Attorney's Office in the District of Columbia to try to prepare a proposal to meet what I suppose is generally known as the Mallory problem in the District of Columbia, to try to reconcile the needs of the police for interrogation with the rights of individual defendants once they have been arrested. This has been very time consuming since it has required us, I think for the first time, to understand what the police here do need, to understand their operations and what time they need for interrogation and what type of procedures they need. This has taken the time of one of the lawyers in our Office for weeks. We are also working on several other projects in the criminal area, including the President's various programs on crime, which I would be glad to discuss.

BACKGROUND OF PROFESSOR VORENBERG

Mr. Bow. Professor, how much time do you spend on this?

Mr. VORENBERG. I am here an average of about 2 days a week.

Mr. Bow. Are you working on a per diem basis?

Mr. VORENBERG. Yes, sir.

Mr. Bow. What is your per diem?

Mr. VORENBERG. $100 per day.

Mr. Bow. Do you intend to continue in the capacity as head of this Office?

Mr. VORENBERG. Of course it is not entirely within my control. I am very interested in the work of this Office. I think it is an extremely important innovation in the Federal Government. It is one that many people concerned with criminal law and law enforcement have called for for sometime.

Mr. Bow. Give us some idea of your background and practical experience in this field?

Mr. VORENBERG. As the Attorney General said, I teach criminal law at the Harvard Law School. Before that I practiced law, not as a criminal lawyer though I did a little criminal law work.

Mr. Bow. Where was your practice?

Mr. VORENBERG. In Boston.

Mr. Bow. How long did you practice?

Mr. VORENBERG. For 8 years. Before that I was a law secretary to Justice Frankfurter, and before that I worked 2 years in the Air Force General Counsel's Office.

Mr. BOW. At the present time you are associated with the faculty at Harvard?

Mr. VORENBERG. I am a professor at the Harvard Law School.

Mr. BOW. Thank you very much.

Mr. ROONEY. Mr. Cederberg?

STATUS OF OFFICE OF CRIMINAL JUSTICE

Mr. CEDERBERG. Was this Office established pursuant to the passage of the Criminal Justice Act?

Mr. VORENBERG. It was not embodied in any sense in the Criminal Justice Act.

Mr. CEDERBERG. But if the law had not passed would you still have an Office of Criminal Justice?

Mr. VORENBERG. It is hard for me to say because I was not here. I think the two principal things that gave impetus to the establishment of the Office were the passage of the Criminal Justice Act and the report of the Attorney General's Committee on Poverty and the Administration of Federal Criminal Justice. Whether it would have been created without these two things, I do not know. There was a growing concern that there was a failure of communication between the two sides in law enforcement and criminal law, and there was a suggestion made in the Department that it would be helpful to have an office that could play a middle role. It is speculation on my part to say if it would have happened had the Criminal Justice Act not been passed.

Mr. CEDERBERG. Is this to be a temporary or a permanent office?

Mr. VORENBERG. I think the Attorney General envisions it as a permanent office.

Mr. CEDERBERG. We had testimony earlier from the administrator of the courts and from the judiciary itself indicating they had the prime responsibility in the implementation of the Criminal Justice Act. As a matter of fact, I am not sure but I think they had some money in the budget to investigate how well it is being administered from the point of view of the payment of attorneys who will be defending clients under this act. To set up another Office of Criminal Justice on a permanent basis is a little hard for me to understand. In other words, I have no quarrel with you if you want to look into the necessity of some uniform bail procedures or some of these things, but it seems to me you could pull a committee together, make a study, and then disband the committee. I see no reason for a permanent organization. The justification, from what I have heard so far, is that what you need is to borrow attorneys and make the investigation within the Department. You are asking for eight attorneys, and it would appear to me maybe you do not need an attorney, but a good budget officer and an administrator could look into these things along with an attorney. I shudder at the establishment of a permanent division. If you were doing this for 1 year to study these questions while the act is under review for the first year or two of operation, I could understand it, but I do not understand the permanency of the office.

Mr. ROONEY. Will you kindly yield?

Mr. CEDERBERG. Yes.

Mr. ROONEY. Is there anything in the legislative history of the Criminal Justice Act which would indicate that the Congress contemplated the setting up of an office such as this?

Mr. CLARK. No, Congressman.

Mr. ROONEY. The answer is no?

All right, Mr. Cederberg. Please proceed.

Mr. VORENBERG. If I can respond to Congressman Cederberg, I think it would be wrong to see the purpose of an office such as this as being primarily the implementation of the Criminal Justice Act because that is very clearly, under the act itself, a prime responsibility of the courts. We spent a great deal of our time in the first few months after it was set up to help the courts get started, to lay out plans and set out problems they would have under the act. But to go back to the first announcement setting up the office, I do not think it was to be regarded as the primary or one of the principal continuing purposes of the Office, the implementation of that act. There are a host of problems in the administration of criminal law.

Mr. ROONEY. You are forgetting, Professor, that we already have how many lawyers in the Department of Justice?

Mr. BROWN. Around a thousand, in the legal divisions.

Mr. CEDERBERG. Let me read something from the justification. It says:

> Its creation coincided with the enactment of the Criminal Justice Act of 1964, and one of the responsibilities of this Office is to assist with the implementation of that act.

I have no objection to your working with the judiciary and the courts in the implementation of the act on a temporary basis, but when you set it up permanently I see no reason for it. The justification says further:

> An additional responsibility of the Office is to press further the work of the Attorney General's Committee on Poverty and the Administration of Federal Criminal Justice which submitted its report to the Attorney General in February of 1963.

I am concerned about setting up another Office of Criminal Justice which almost, by its name, infers we might not have criminal justice in the Justice Department. I think you try to provide criminal justice of the best kind, and here you will set up another office with all this personnel on a permanent basis and I cannot see it.

Mr. CLARK. I might be able to add a thought or two specifically as to your question of whether this Office was set up because of the passage of the Criminal Justice Act. Of course I have been down in the Lands Division and had only incidental contact, but I know there has been consideration of the Office at staff luncheons and otherwise, and I think I wrote a memo on the subject well before the Criminal Justice Act was passed and unrelated to the Criminal Justice Act. When the Criminal Justice Act came along we had a better opportunity for knowledge of what would be efficient and effective, and then we were asked to do certain things under the act, and that was an additional factor which made it desirable to set up the Office.

I thought the committee had some background on our interest in setting up this office, and since you do not, I think we should submit something to you for the record.

PROFESSOR VORENBERG'S EXPERIENCE AS A PROSECUTOR

Mr. ROONEY. Then we would not be able to ask you questions. We want to ask the questions now. There are a number of things we do not understand. For instance, I do not understand if Professor Vorenberg has any experience in prosecuting cases. Do you, Professor?

Mr. VORENBERG. I have never prosecuted cases.

Mr. ROONEY. And yet you are looking into the Mallory rule.

PER DIEM RATES

By the way—and I am not intimating that he is not worth $100 a day—but where do you get authority to pay the professor $100 a day, Mr. Brown?

Mr. BROWN. He is a consultant.

Mr. ROONEY. You have a limitation at page 135 of this budget under General Provisions—Department of Justice:

> Appropriations and authorizations made in this title for salaries and expenses shall be available for services as authorized by section 15 of the act of August 2, 1946 (5 U.S.C. 55a) at rates not to exceed $75 per diem for individuals.

How do you get around that?

Mr. BROWN. I do not know. Maybe we are overpaying him. I will have to check on that

(The following was subsequently submitted:)

Mr. BROWN. Professor Vorenberg is serving as special assistant to the Attorney General at $100 per day not to exceed $12,000 maximum compensation in accordance with 67 Stat. 375 as amended by 68 Stat. 422.

Mr. ROONEY. I am not trying to cut you $25 a day, Professor, but the law is the law and you believe in laws, I take it?

Mr. VORENBERG. Absolutely.

NEED FOR NEW OFFICE

Mr. ROONEY. How many people do we presently have in the Criminal Division of the Department of Justice? How many lawyers?

Mr. BROWN. 164.

Mr. ROONEY. You could not assign one or two of those to this subject of the Criminal Justice Act of 1964? They are too busy?

Mr. BROWN. We actually are assigning some right now.

Mr. ROONEY. Of course, you have already assigned at least two to the professor. Why could they not handle this? Why do you have to have a whole new compartment? This is beyond me.

Mr. VORENBERG. I think we come back to the fact that this office is not just seen as implementing the Criminal Justice Act. I think I agree with you that if the only purpose we want to achieve is to implement that act, certainly we could find people in the Department, and probably people who have background, who would be sufficient for the task of working with the courts on that act. I think there is a much broader notion involved here than just implementation of that act—that is, to the Department—which is the prosecutor for the Government and which has major responsibilities in recommending legislation in the criminal field and should have in it a unit with responsibility for policy in the criminal area.

Mr. ROONEY. Thank you, Professor.

Mr. CEDERBERG. One thing, Mr. Chairman.

Mr. ROONEY. Yes.

Mr. CEDERBERG. One of the things that could handle this thing very nicely is if you change that name from Criminal Division to the Division of Criminal Justice. Just add the word "Justice." Then if you have a few things you want to look at, you can use those attorneys. They are in the Criminal Division.

Mr. ROONEY. They might take a viewpoint which might be more representative of the general public's view when it comes to the Mallory rule.

Mr. VORENBERG. I would like to say for the record that three of the lawyers in the office are people who were previously working in the Department, including two prosecutors from the Organized Crime Section. So, we have had the benefit of what I think is the views of people who have had intimate experience with prosecutions.

I do not think we are dreamers. I do not think the purpose is to dream, if, by dreaming, you mean to be unrealistic. If you mean, by dreaming, to look ahead and try to suggest where the criminal law should be going and what the role of the Department should be in it, I think that is a function and the only justified function, for an office of this sort.

Mr. CEDERBERG. I think that you can do that within the Criminal Division and if you need an intra-agency committee to look at this, fine. Have an intra-agency committee do this and then pull some of your good experienced lawyers together.

However, I am concerned about putting an experienced staff of this many people together.

I am concerned about having eight lawyers here who are going to try to justify their existence and so far I am not sure that they can.

Mr. ROONEY. Thank you, Professor.

Mr. VORENBERG. Thank you.

OFFICE OF PARDON ATTORNEY

MONDAY, MARCH 1, 1965.

WITNESSES

REED COZART, PARDON ATTORNEY
RAMSEY CLARK, DEPUTY ATTORNEY GENERAL
BAREFOOT SANDERS, ASSISTANT DEPUTY ATTORNEY GENERAL

Mr. ROONEY. The next subitem, gentlemen, is entitled "Office of Pardon Attorney" and is to be found under tab 5 of the justifications book. This request is in the amount of $102,400, which would be an increase of $6,600 in the adjusted appropriation for fiscal year 1965. These increases are set forth at page 5–2 of the justifications book and would indicate that, unlike the previous item where we are going to set

up a whole flock of lawyers and clerks, they need one GS–4 clerk at a salary of $4,480 a year.

Is that right, Mr. Cozart?

Mr. CLARK. Mr. Chairman, if I could interrupt the committee, I have no prepared statement but I want to say we just got started on the Criminal Justice Office.

Mr. ROONEY. You want to get back to that? I thought that was finished.

OFFICE OF DEPUTY ATTORNEY

Mr. CLARK. We would like to talk to you further about this because we have some pretty strong feelings about it. I did not talk at all about the Office of the Deputy Attorney General, because I did not know if anybody had any questions about it, but I would be happy to answer them.

Mr. ROONEY. Mr. Clark, the Deputy Attorney General's Office is under tab 4 and outside of the matter we were discussing, the only other item is statutory, "Personnel benefits," $10,600 and additional costs in 1966 of the 1964 pay act of $600 and step increases in fiscal year 1966.

From this, we gain that you are not adding to the people you have in the Office of the Deputy Attorney General; is that right?

Mr. CLARK. Yes, sir.

Mr. ROONEY. So we do not waste time, or spend any time on it; we feel you must be doing a good job because you are not asking for more people. If you do not think we have spent enough time on that, then that is another thing.

Take Mr. Cozart who is a pro, too; he comes along and he wants $4,480 for a GS–4 clerk. Maybe he is entitled to the position. I am sure he would not ask for it if he did not think it was necessary.

So, we shall listen to him now and have him tell us why he needs this new GS–4.

Mr. CLARK. Before I go, I would like to introduce a new Assistant Deputy Attorney General who handles congressional liaison.

To show you how frugal we are, we have a barefooted Assistant Deputy Attorney General. He served 4 years as U.S. attorney for the northern district of Texas.

Mr. ROONEY. Where is Mr. Sanders?

Mr. SANDERS. Right here.

Mr. ROONEY. Mr. Sanders, when you are working so hard at this congressional liaison business, please leave the members of this committee out of your sphere, you understand?

Mr. SANDERS. Yes, sir.

Mr. ROONEY. We shall continue to do business with Mr. Andretta and Mr. Brown in the budget area. You understand that, do you?

Mr. SANDERS. Yes; I do.

Mr. ROONEY. That is historical.

Mr. CLARK. Whenever we can be of service, call on us.

Mr. ROONEY. I am sure we will not need you.

Mr. SANDERS. Mr. Chairman, glad to have met you all.

JUSTIFICATION MATERIAL

Mr. ROONEY. We shall at this point insert in the record pages 5–1 through 5–6 of the justification book.

(The pages follow:)

Office of the Pardon Attorney

Appropriation, 1965	$90,000
Proposed pay act supplemental	5,800
Appropriation adjusted, 1965	95,800
Estimate, 1966	102,400
Increase	6,600

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

An appropriation of $102,400 is requested to handle the workload of this Office in 1966. This is $6,600 more than the amount required for 1965. The increase is needed to implement statutory provisions regulating the compensation of personnel and to permit the addition of one clerical employee (stenographer-typist) to the staff to assist with the increasing workload.

Cost of statutory provisions:	
1966 costs under 1964 pay act	$100
Step increases due in fiscal year 1966	900
Total	1,000
Additional staff (1 GS–4) clerk):	
Salary	4,480
Less 2 months' lapse	−780
Total	3,700
Personnel benefits	250
Communications (10 months)	100
Rent (10 months, at $1,000 per annum)	800
Supplies	50
Equipment	700
Total	5,600
Total increase	6,600

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 admiinstrative basis in accordance with established policy and procedure.

ADDITIONAL CLERK TO ASSIST WITH INCREASING WORKLOAD

A substantial increase in the workload has resulted from the recent revision of the pardon rules. This has resulted in the filing of a greater number of formal appliactions for clemency, and a general increase in the work of the Office because, prior to the disposition of any petition filed, the case has to be brought to the attention of the President. As a result, in adverse action matters, heretofore handled wholly on an administrative basis, it is required that in each case of a prospective denial a summary memorandum first be submitted to the White House and a waiting period of 30 days elapse before the customary notifiactions of adverse action can be sent out.

In fiscal year 1961, there were 437 petitions pending as of July 1, 1960; 481 casse were received and the total for consideration was 918. There were 510 cases disposed of, 244 by Presidential action and 266 by administrative procedure.

With respect to fiscal 1962, 408 petitions were pending as of July 1, 1961. During the year, 595 cases were received (an increase of 114) and there were 497 dispositions out of a total of 1,000 for consideration. Presidential actions were 182 and this Office disposed of 315.

Commencing fiscal year 1963, 506 applications were pending and 592 cases were received. The total for consideration was 1,098. The President acted in 179 cases and this office disposed of 232 for a total of 411.

The new clemency rules were approved by the President on October 30, 1962, were published in the Federal Register November 10, 1962, and became effective 31 days thereafter in December 1962.

For fiscal year 1964, there were 687 petitions pending. During the year, 921 cases were received. This represents an increase of 339 over 1963. The total for consideration was 1,608. The President acted in 388 cases, an increase of 209 over 1963, an increase of 206 over 1962, and an increase of 144 over 1961. The Pardon Attorney disposed of 437 cases administratively. The total dispositions were 825, leaving a workload of 783 cases as of July 1, 1964.

For the months of July and August 1964, 219 cases were received. This represents a further increase over fiscal 1964. As of September 17, 1964, the rate of cases received is continuing. Our estimates of petitions to be filed during fiscal 1965 and 1966 will certainly be equaled and in all likelihood exceeded, particularly in view of the emphasis now being placed on correcting disparity of sentences and adjustment of excessive sentences.

As of September 1, 1964, 878 cases were pending. Of these, 65 were before the President for consideration with formal letters of advice, an additional 63 were for proposed administrative action—a summary memorandum as to each had to be prepared—the Attorney General had 81 cases for consideration with formal reports prospectively for the President, and an additional 74 such reports were ready to be submitted to the Attorney General when called for. Three hundred and thirty cases were in the field under investigation or awaiting further reports. The remaining 265 cases are those in which the investigation has been completed and reports received from the field. Most have had preliminary examination and tentative letters of advice have been drafted. However, we are sorely pressed to have them finally typed and assembled for submission to the Attorney General in due course. Moreover, we are beset with considerable correspondence concerning cases and their status, plus miscellaneous inquiries regarding clemency matters.

We had hoped to be able to keep abreast of the increase in the workload with the present number of personnel. However, all indications point to the need of an additional employee—a stenographer or typist—to alleviate the backlog which is building even though productivity has increased.

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	408	506	687	783	983
Received	595	592	921	1,100	1,300
Terminated	497	411	825	900	1,000
Pending end of year	506	687	783	983	1,283
Matters:					
Pending beginning of year	----------	----------	----------	----------	----------
Received	----------	----------	----------	----------	----------
Terminated	----------	----------	----------	----------	----------
Pending end of year	----------	----------	----------	----------	----------

INCREASES REQUESTED

Mr. ROONEY. These pages indicate the total request is in the amount $102,400, which would be an increase of $6,600 in the adjusted appropriation for 1965. These increases are set forth at page 5–2 and include the requested increase for the new GS–4 clerk.

What about this, Mr. Cozart? Is that a stenographer-typist?

Mr. COZART. That is right. It is not necessary that she be a stenographer but we really need somebody to do some typing because we are, for the first time since I have been here in 10 years, getting far behind. We have been far behind at all levels—the White House, the Attorney General's Office, and in our Office. Cases are really stacking up in our Office because of the increase in work. It is embarrassing to have to continually write to Congressmen and Senators and lawyers and petitioners to say we are not yet ready to act on their cases.

I think if we can get a little extra help we might be able to at least make a dent in the load.

Mr. ROONEY. This work is not all done in Washington; is it?

Mr. COZART. The investigating part is not.

Mr. ROONEY. This work goes back to the districts?

Mr. COZART. Yes, sir.

Mr. ROONEY. Investigation is made in the district; is it not?

Mr. COZART. That is right.

Mr. ROONEY. As to whether or not the party had lived so many clean years?

Mr. COZART. There is minimum waiting period of 3 years and up.

Mr. ROONEY. Usually they hold me to seven.

Mr. COZART. Sometimes it is seven before we get them approved. We had a change in rules 2 years ago and now all cases go to the White House, whether they are to be acted on favorably or unfavorably, and that has increased our workload. Certainly, we have to prepare those reports and extra correspondence as a result of that.

I do not make any complaint, but that is one of the results of having revised our rules.

Mr. ROONEY. Thank you, Mr. Cozart.

Mr. COZART. Thank you.

MONDAY, MARCH 1, 1965.

BOARD OF PAROLE

WITNESSES

RICHARD A. CHAPPELL, CHAIRMAN
JAMES A. CARR, CHAIRMAN, YOUTH DIVISION

Mr. ROONEY. Gentlemen, the next subitem is entitled, "Board of Parole" and is to be found at tab 6 of the justifications book.

We shall insert pages 6–1 through 6–11 of that book at this point in the record.

(The pages follow:)

Board of Parole

Appropriation, 1965	$530,000
Proposed pay act supplemental	46,900
Appropriation, adjusted, 1965	576,900
Estimate, 1966	711,600
Increase	134,700

AMOUNT REQUESTED

It is estimated that $711,600 will be required to meet the needs of the Board of Parole for the fiscal year 1966. This exceeds the amount allotted to the Board in 1965 by $134,700. The appropriation requested includes funds for an additional 10 positions which would provide for the salaries of the 4 parole examiners, clerical personnel, and staff to establish a mailroom for the Board, small amounts for services related to the new positions, and an amount to meet the cost of complying with statutory provisions affecting the compensation and benefits of employees. The increases are as follows:

Cost of statutory requirements:		
Additional cost in 1966 of 1964 pay act (3 days)		$600
Within-grade salary increases		6,400
Personnel benefits related to above		900
Reduction of lapse because of unusual terminal leave payments		11,300
Total		19,200
Additional staff:		
Salaries (ten positions)		
4 Parole examiners GS–15	$65,840	
4 Clerk-stenographers GS–6	22,020	
1 Mail clerk GS–5	5,000	
1 Mail clerk GS–4	4,480	
Total	97,340	
Lapse in entrance on duty of additional personnel	−16,340	
Total	81,000	
Personnel benefits for the additional personnel	6,100	
Travel	10,000	
Rent (to be transferred to GSA)	8,400	
Supplies and materials	1,000	
Equipment	9,000	
	34,500	
Total		115,500
Total increases		134,700

GENERAL STATEMENT

Because of the complexity of the present sentencing procedures, many of which require additional hearings by the Board, there has been a continued high number of hearings conducted by the Board. This condition has existed for several years but, because of the lack of funds, the Board has been unable to appoint parole examiners to assist it. The result is that hearings have been conducted and cases considered in a shorter period of time than the Board feels is adequate. The actual small decreases in number of hearings during the past year or so has been accomplished by increasing the number of reviews of cases on the basis of a progress report in lieu of a hearing.

The members of the Board now conduct the hearings with prisoners and also make the ultimate decisions with regard to parole or revocation. They must use only a minimum of time for those functions. To prevent serious backlogs of work in Washington and to be able to complete the required number of hearings for eligible prisoners, a hearing member must conduct an average of 25 hearings per day while in the field. He now spends about half of his time away from Washington on hearing trips.

Prior to each hearing, he must familiarize himself with the prisoner's file and following the hearing must dictate a complete summary of the prisoner's personal history and present state of rehabilitation and include his personal recommendation relative to parole. All this must be accomplished in an average of 20 minutes, and the complete process must be repeated throughout the day.

Upon his return to Washington, he must review the file, read his summary, and then vote on the case. It is then reviewed individually by his colleagues prior to their vote. He, in turn, reviews the summaries and the files of the prisoners heard by his colleagues. Because of the continuous pressure brought on by the flow of cases to a member's desk, he can devote an average of only a few minutes to study of each file.

By adding parole examiners to the staff, the time spent in study of the file both at the institution and in Washington can be lengthened, and the time allotted to the hearing can also be increased. In this manner, there will be sufficient time for the voting members to devote adequate time to a case before their official decision is rendered.

In addition to the primary duty of holding parole hearings with prisoners, the examiners would consult with U.S. probation officers regarding the Board's policies with regard to relased prisoners who remain under the Board's jurisdiction in the community. Statistics and case observation have revealed that the probation officers need occasional personal consultation with a representative of the Board. At the present time, the normal contact is only by correspondence or telephone. With a community caseload of more than 10,000 parolees and mandatory releasees, the Board needs to lend greater assistance and consultation for the officers who supervise those prisoners. The addition of parole examiners will enable the Board to provide that need.

Other additional staff

The very large volume of Board work with regard to the mounting number of parolees and mandatory releases serving their terms in the community necessitates the addition of four clerk-stenographers. Two of these would assist the requested parole examiners, and the other two are sorely needed to process the present matters related to prisoners in the community, without regard to the hiring of parole examiners.

No additional funds are being requested other than those needed to meet statutory requirements or to provide the salaries and supporting expenses of the needed new personnel. It is estimated that the amounts shown below are necessary to meet the Board's needs for the fiscal year 1966.

11 Personnel compensation, $562,900

This amount includes funds for the 10 additional staff persons. Four would be parole examiners who would be stationed in Washington, D.C. Two clerk-stenographers would be required to process their travel arrangements, prepare their reports and summaries, and process other work accomplished by them. They would also be placed in a stenographic pool for general service to the Board.

Without regard to the additional parole examiners and their two supporting stenographers, two additional clerk-stenographers are urgently needed to assist in the Board's postrelease sections. The workload in these sections has increased to a point where serious backlogs have accumulated. These sections maintain control over the expanding number of prisoners in the community under Board jurisdiction. Correspondence between all U.S. probation officers and the Board is processed in these sections. With the increasing number of prisoners on parole and with increased reporting to the Board, the workload in all aspects has risen steadily. The number of warrants issued, for example, has increased by one-third since 1960. To fail to increase staff in these offices might delay return of a prisoner who has violated the conditions of his release and who might be a danger to the community.

The Bureau of Prisons continues to attempt to provide adequate mail service for the Board. However, because of the large volume of mail received by the Board, and the lack of sufficient personnel in the Bureau mailroom, mail service cannot be provided with the frequency and dispatch that the nature of the correspondence requires. The Board feels that it should establish its own mail-room in order to insure satisfactory mail services.

The Board has a continuing program of evaluation to insure that the maximum output possible is made by every staff member. Many procedures have been

instituted to increase efficiency in general. All operations not vital to the Board's operations have been eliminated or curtailed. Form letters are being used where possible and other letters are being typed on an automatic typewriter. Recordkeeping has been reduced. Travel schedules have been revised and hearings combined in order to reduce costs. Members and staff constantly strive to produce more work during each hour of the working day. Despite these efforts, backlogs continue to exist and staff help is needed. The Board has been permitted to add only two persons to its staff during the past 5 years. During this time, the work of the Board, when all aspects of the Board's functioning are considered, has increased in complexity and in size. The Board needs the additional staff now.

The amount requested includes funds for statutory increases to meet congressionally approved pay increases. It also includes an item to cover an unusual amount of terminal leave pay which will accrue to two members of the Board whose terms expire during fiscal year 1966. One member will have an accumulated balance of 90 days and the other 30 days for which reimbursement must be made. The amount involved ($11,300) in these two instances is considered in computing personnel costs (reduction in lapses) since additional appropriations will be necessary to meet these particular obligations.

12 Personnel benefits, $42,000

This amount includes the following increases:

(*a*) $900 as the agency share of life insurance, health benefits, and retirement contributions to be paid as a result of higher salaries payable in 1966 in accordance with statutory requirements.

(*b*) $6,100 for personnel benefits to be paid for the 10 new positions requested.

21 Travel, $40,000

This amount includes an increase of $10,000 to be used for travel by the requested parole examiners. An amount of $2,500 each is requested for the year. Their duties will consist not only of holding hearings in Federal institutions, but also of consultation with probation officers in the various Federal courts where personal conferences with Board representatives are indicated. No additional travel funds are requested except for the new personnel.

23 Rent, communications, $12,600

No increase is requested for communications. The $8,400 increase requested reflects 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 person per year).

24 Printing and reproduction, $5,000

This amount is the same as allotted for the current year. No increase is requested.

25 Other services, $36,100

This amount is the same as allotted for the current year. No increase is requested.

26 Supplies and materials, $2,000

This amount includes an increase of $1,000 for office materials to support the requested 10 additional persons.

31 Equipment, $11,000

This amount includes an increase of $9,000 for equipment for the requested 10 additional persons. Of this amount, $8,000 would be used to purchase the usual office equipment such as desks, chairs, tables, and typewriters required for the persons involved. Only $1,000 would be used for equipment to outfit the proposed mailroom, since only minor furnishings will be needed. The more expensive mail-handling equipment will be provided by the Bureau of Prisons on a cooperative basis.

46-866—65——3

Recapitulation

	Actual			Estimated	
	1962	1963	1964	1965	1966
Average population in institutions	25,003	24,977	23,962	23,400	23,400
Bureau of Prisons	23,890	23,797	22,777	22,200	22,200
Public Health Service	835	912	884	900	900
District of Columbia Youth Center	278	268	301	300	300
Parole decisions	20,666	22,357	20,863	21,425	21,425
On basis of hearings and other original actions	16,999	17,645	16,372	16,925	16,925
Parole grants, all offenders	5,157	5,131	5,190	5,250	5,250
Parole denials, adults	5,967	5,859	5,911	5,875	5,875
Juvenile and youth offender hearings (grants excluded)	3,118	3,441	2,100	2,500	2,500
Revocation and special interviews	1,804	1,773	1,752	1,800	1,800
Determination of eligibility dates	953	1,441	1,419	1,500	1,500
On basis of reviews	3,667	4,702	4,491	4,500	4,500
Progress reports reviewed (grants excluded)	3,560	4,610	4,405	4,400	4,400
Washington review hearings	107	92	86	100	100
Warrants issued	2,165	2,238	2,398	2,500	2,550
Parole	1,405	1,448	1,596	1,700	1,750
Mandatory release	760	790	802	800	800
Meetings held at institutions	180	178	183	178	178
Hearings conducted	13,819	13,401	12,793	13,000	13,000
Number under supervision June 30: Parolees and mandatory releasees	8,865	9,420	10,156	10,500	10,500

Youth Correction Division

	Actual			Estimated	
	1962	1963	1964	1965	1966
Average population, youth institutions [1]	5,926	5,870	5,460	5,100	5,100
Population, June 30, youth institutions [1]	5,821	5,825	5,150	5,600	5,500
Parole grants by Youth Division	2,450	2,365	2,833	2,850	2,850
Youth Corrections Act	1,426	1,448	1,663	1,700	1,700
Federal Juvenile Delinquency Act	522	492	578	575	575
District of Columbia juveniles	47	24	17	25	25
General law in youth institutions	455	401	575	550	550
Parole warrants issued by Youth Division	934	1,017	1,165	1,250	1,300
Youth Corrections Act	710	745	874	925	975
Federal Juvenile Delinquency Act	131	168	203	220	220
District of Columbia juveniles	3	5	2	5	5
General law in youth institutions	90	99	86	100	100
Meetings held at institutions	86	84	85	80	80
Hearings conducted	6,298	5,637	5,561	5,700	5,700

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

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

INCREASE REQUESTED

Mr. ROONEY. They indicate that the request is in the amount $711,600, which would be an increase of $134,700 over the fiscal year 1965 adjusted appropriation.

The requested increases are set forth at pages 6–2 and 6–3. Ten new positions? Do I see correctly?

Mr. CHAPPELL. That is correct, Mr. Chairman.

Mr. ROONEY. According to this, again, you want your own mailroom?

Mr. CHAPPELL. The Bureau of Prisons is complaining about having to do our mail and unless they continue to do it for us we will have to. They will permit us to use their equipment; so we will need very little additional equipment.

Mr. ROONEY. How much does the cost of a mailroom take out of this?

Mr. CHAPPELL. Two positions; one mail clerk, GS–5, and one mail clerk at GS–4. That is $5,000, plus $4,480.

Mr. ROONEY. Plus what?

Mr. CHAPPELL. $9,480 total.

Mr. ROONEY. Plus what else?

Mr. CHAPPELL. There is a small amount in the equipment item, Mr. Chairman, $1,000 additional equipment.

Mr. ROONEY. What do you have to say about this?

NEED FOR PAROLE EXAMINERS

Mr. CHAPPELL. Briefly, there are three factors that affect this need for the four parole examiners.

First of all, the courts have decided we must afford hearings for violators or alleged violators of parole or mandatory release with attorneys and with witnesses if these persons request it, and are able to arrange for their own attorneys. Also, the Hyser opinion, which was from the circuit court here in the District of Columbia, said we must afford them local hearings rather than doing what we have done heretofore, return them to the Federal prison where they would serve the remainder of their sentence and give them a hearing there.

We must now give them this hearing in the local community where the alleged violation occurred and there is much justice in that. It gives them an opportunity to have their local attorney and if they have witnesses to assist them in the hearing, they can have them locally, whereas they cannot have them in a distant prison.

This means that the Board members, or somebody, must go out to these local communities in some instances to give these hearings. We have been able to use the U.S. probation officers in some instances but they object to doing it. They feel they are not too well qualified to deal with attorneys and so on, and it is a thing that only arises infrequently in any particular district. So they have objected to doing these hearings although we have insisted and they have done some of them for us.

But we feel if we had our own personnel to go out and do some of these hearings, it would be better.

In addition, these parole examiners would also hear persons who are applying for parole at the various prisons. There are 8 Board members and we have more than 12,000 of these hearings a year. The prisoners complain we do not give them enough time to state their cases. We can give them only about 8 to 12 minutes and then after they leave the room, we have to dictate a summary. We hear about 25 cases a day and it is rushing them quite a bit to cut them off after 8 or 12 minutes of interview.

In order to stay on top of the load, we have to do this.

In addition, this gives the Board members very little time to consider the cases—read the record—when it goes around to the various Board members' desks to be voted on.

We feel we could do a better job if we had these examiners to assist in some of the hearings.

Another factor enters into this. We have the Youth Act passed by Congress and section 4208(a-2) of title 18, United States Code——

DECREASE IN WORKLOAD

Mr. ROONEY. Before you get to the Youth Act and the Youth Correction Division which has the same sort of situation insofar as the caseload chart is concerned, let me ask you about your testimony here today and its reference to the workload chart on page 6–10.

The chart would indicate to the contrary, Mr. Chappell.

Mr. CHAPPELL. The chart shows the prison population is tending downward. It has gone down.

Mr. ROONEY. It has gone down from what?

Mr. CHAPPELL. Almost a thousand.

Mr. ROONEY. One second. It has gone down from an average population of 23,962 in the year that ended last June 30, to your estimate of 23,400 in 1966. It is 1,000 down, or more than a thousand down from 1962, is it not, when you had 25,003 as compared to an estimated 23,400 in 1966?

Mr. CHAPPELL. Yes. From 1962 it is down more than a thousand and from 1963 it is down roughly 1,000 or a little more.

Mr. ROONEY. That is generally in institutions that we have been referring to; is it not?

Mr. CHAPPELL. Yes, sir.

Mr. ROONEY. There is a very substantial reduction in the number in the Bureau of Prisons institutions; right?

Mr. CHAPPELL. Correct.

Mr. ROONEY. In the Public Health Service institutions, you have an increase from 1964 of only 16 people; right?

Mr. CHAPPELL. Right.

Mr. ROONEY. In the District of Columbia Youth Center it is down from 1964 with a figure of 301 to 300, and as we go along in your figures we find the same thing all along.

Let us take the increase in warrants, a minimal estimation of what it might be in 1966 as compared to 1964. You expect to have fewer meetings at institutions in 1966 than you had in the year that ended last June 30; is that correct?

Mr. CHAPPELL. Yes, sir.

Mr. ROONEY. This would be with the requested additional people shown on pages 6–2 and 6–3; is that correct?

Mr. CHAPPELL. That is correct. You will notice the last line there on page 6–10, the number under supervision has gone up: this means that more correspondence and more handling of those cases is involved in cases under the supervision of the Board. I think one reason, Mr. Chairman, for the reduction in prison population is the use of parole.

Mr. ROONEY. Mr. Chairman, I cannot help but ask you this: Is it not a fact you expect to have 13,000 meetings or hearings in 1966, in the current year, as compared with 13,819 in fiscal year 1962?

Mr. CHAPPELL. But we do have these people in the field who are under supervision. We do not grant hearings to them unless they violate. We do expect our number to go up. Our violation rate will probably increase and we will have more of these revocation hearings.

WORKLOAD FOR YOUTH CORRECTION DIVISION

Mr. ROONEY. Do you want to proceed to your Youth Correction Division?

Please tell us how you jibe the workload figures for this Division with the requested appropriation?

Mr. CHAPPELL. The thing that concerns us there is that we are having, instead of granting two personal interviews with these youth cases, we are having to consider more of them on what we call progress reports, on the record. We get a report from the institution where they are serving their sentences and this report serves as a basis for further action. If we had these parole examiners to assist us, we would like to give more of these hearings to youth offenders.

Mr. Carr may have something to add to that.

Mr. ROONEY. Why are you requesting the hearing examiners? Your outside estimate next year is 5,700 hearings as compared with 6,298 in 1962; is that correct?

Mr. CHAPPELL. I suppose so.

Mr. ROONEY. These are your figures, Mr. Chairman, not mine.

Mr. CHAPPELL. We expect the Youth Division next year to have a total of 1,700 YCA cases to be granted parole. We are estimating that as the number of grants.

Mr. ROONEY. That would compare with 1,663 in 1964, in the year ended last June 30; right?

Mr. CHAPPELL. That is correct, sir.

Mr. ROONEY. Do you want to withdraw this request, Mr. Chairman?

I understand that you people do such a fine job, you should be able to get along in the coming year on what you presently have. All I hear is commendation and what a fine job Mr. Carr is doing in the Youth Division.

Mr. CHAPPELL. He is doing an excellent job.

Mr. ROONEY. I would not want to spoil that record.

I think you might want to withdraw it.

Mr. CHAPPELL. No, sir; we cannot withdraw all of it. We need it but we will take what we can get, Mr. Chairman. We really do need it and we are not doing as thorough a job as we could do if we had these additional people. We feel we could do a lot better job than we are doing if we had this additional help.

Mr. ROONEY. The workload chart on page 6–12 is not too impressive either, is it?

Mr. CHAPPELL. Not as statistics, sir; no, sir.

Mr. ROONEY. Any questions gentlemen?

Mr. FLYNT. Mr. Chairman, I do not have a question but I would like to say this: I am aware of the very splendid organization and the work of this office under the direction of Mr. Chappell and the effiiciency with which they report.

I would like to add my note of commendation to them.

Mr. CHAPPELL. Thank you, Mr. Flynt.
Mr. ROONEY. Mr. Bow?

INCREASES FOR TRAVEL, RENT, AND COMMUNICATIONS

Mr. Bow. Under the record the chairman has made here, I am wondering about this additional $10,000 in "Travel."
Mr. CHAPPELL. That was for these parole examiners.
Mr. Bow. If you get them?
Mr. CHAPPELL. If we get them. If we do not get the parole examiners, we do not need the travel.
Mr. Bow. That would cut down that travel?
Mr. CHAPPELL. We would not need all of that.
Mr. Bow. Your "Rent, communications, and utilities" go up from $4,200 to $12,600?
Mr. CHAPPELL. That is based on these additions; correct.
Mr. Bow. That is all. Thank you.
Mr. CEDERBERG. No questions.

MAILROOM

Mr. ROONEY. To be utterly fair with you, I am going to give you another opportunity to tell us about your approach to having your own mailroom which has been here before. What is the trouble with the mail?
Mr. CHAPPELL. We do not want the new mailroom except that the Bureau of Prisons, if they quit serving us—we will have to make some arrangement. Mr. Andretta suggested there is another mailroom in the building and by enlarging their staff with one or two persons—he does not know how much additional help will be needed—we could use that mailroom.
Mr. ROONEY. I think we will leave you now. You are doing such a fine job, Mr. Chairman, we may leave you as you are.
Mr. CHAPPELL. We need money instead of flowers, Mr. Chairman. Thank you very much, gentlemen.
Mr. ROONEY. Thank you, Mr. Chairman and gentlemen.

BOARD OF IMMIGRATION APPEALS

MONDAY, MARCH 1, 1965.

WITNESS

THOMAS G. FINUCANE, CHAIRMAN

Mr. ROONEY. The Board of Immigration Appeals is to be found under tab 7 of the justifications book.
We shall at this point insert in the record pages 7–1 through 7–10 of the justifications.

(The pages follow:)

Board of Immigration Appeals

Appropriation, 1965	$316,000
Proposed pay act supplemental	15,800
Appropriation adjusted, 1965	331,800
Estimate, 1966	336,000
Increase	4,200

Organization.—The organizational and jurisdictional setup for the Board of Immigration Appeals 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.

Appropriation estimate for fiscal year 1966.—It is estimated that the Board of Immigration Appeals will require a budget of $336,000 for fiscal year 1966 or $4,200 more than the amount required for fiscal year 1965. The increases totaling $5,800 are required entirely to meet statutory costs as follows:

Personnel compensation:	
Additional cost of 1964 Pay Act in 1966	$200
Within-grade step increases	4,000
Total	4,200

Personnel.—The Board has an authorized staff of 27 of which 26 are currently employed. The only increases requested are needed to comply with mandatory promotions under existing law.

Workload data.—The attached workload data covers the actual number of cases received, and the estimated number of cases to be received, as well as the number adjudicated, and the number pending, for fiscal years 1962, 1963, 1964, 1965, and 1966.

The workload data also shows the number of oral arguments heard by the Board for the fiscal years 1962, 1963, and 1964, and the estimated number of oral arguments for fiscal years 1965 and 1966.

WORKLOAD CHART

The attached workload chart covers the period from July 1, 1963, to June 30, 1964 (or fiscal 1964).

Particular attention is directed to the number of appeals received, i.e., 1,399. This compares substantially with the number of cases received during the prior fiscal year, or fiscal 1963. However, the Board also considered 351 other appeals and motions. See page 3a of workload chart. These concerned matters arising under sections 243(a), 243(h), 245, and 249 of the Immigration and Nationality Act, involving place of deportation, claims of physical persecution, and requests for adjustment of status and creation of records for permanent residence, respectively. These matters arose as a result of added jurisdiction given to the Board. While these latter appeals were from hearings and decisions by special inquiry officers, made part of the same record in deportation proceedings (this being the reason for not adding them (351) to the 1,339 total), nevertheless they required separate review, consideration, and findings. This, of course, added considerably to the man-hour requirement of the Board and staff. Thus, in actual fact, the Board's workload has increased appreciably.

There was also an increase of over 6 percent in oral argument before the Board.

ESTIMATED WORKLOAD

It is estimated that the Board will receive approximately 1,700 new cases during the fiscal year 1966.

Despite the substantial increase in the Board's workload, alert management and personnel cooperation has resulted in the maintenance of a current and healthy activity without requiring additional personnel.

Attached is a cross section of decisions rendered by the Board on various and sundry issues of law, fact, and discretion. We may add that during the past fiscal year the Supreme Court of the United States handed down several decisions which had an impact on the Immigration and Nationality Act:

1. *United States ex rel. Marks* v. *Esperdy*, 315 F. 2d 673, 2d Cir. 1963, affirmed an equally divided Court, 375 U.S. 810, 11 L.ed. 2d 47 (May 18, 1964).
2. *Schneider* v. *Rusk*, 377 U.S. 163, 12 L.ed. 2d, 218 (May 18, 1964).
3. *Mrvica* v. *Esperdy*, 376 U.S. 560, 11 L. ed. 2d, 911 (Mar. 30, 1964).
4. *Costello* v. *Immigration and Naturalization Service*, 326 U.S. 120, 32 L. Week 4131 (Feb. 17, 1964).
5. *Foti* v. *Immigration and Naturalization Service*, 375 U.S. 217 (Dec. 16, 1963).

SUMMARY AND CONCLUSION

The Board will require its present staff, and estimated budget, to continue a normal and sound operation.

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases (A):					
Pending beginning of year	148	140	121	149	124
Received	1,194	1,380	1,339	1,450	1,700
Terminated	1,202	1,399	1,311	1,475	1,675
Pending end of year	140	121	149	124	149
Cases (B):[1]					
Pending beginning of year	----------	----------	56	49	24
Received	----------	----------	351	300	325
Terminated	----------	----------	358	325	335
Pending end of year	----------	56	49	24	14
Total (A) and (B):					
Pending beginning of year	148	140	177	198	148
Received	1,194	1,380	1,690	17,50	1,775
Terminated	1,202	1,399	1,669	1,800	1,760
Pending end of year	140	177	198	148	163

[1] This refers to hearings involving secs. 243(a), 243(h), 245, 246, and 249 of the Immigration and Nationality Act and, while pursuant to regulations, took place during deportation proceedings (except sec. 246 cases), the issues in all such cases were unrelated to the deportation and exclusion process, per se, and required independent review and decision on appeal.

NOTE.—Oral arguments heard by board (number of cases requesting Office of Appeals and percentage of total):

	Number	Percent
1962 (fiscal)	302	25.3
1963 (fiscal)	276	20.6
1964 (fiscal)	361	26.28
1965 (fiscal) (estimated)	370	25.75
1966 (fiscal) (estimated)	370	25.75

WORKLOAD CHART—FOR PERIOD JULY 1, 1963, TO JUNE 30, 1964

I. Appeals (pt. 3, title 8, CFR)

Class of case	On hand, July 1, 1963	Received	Disposed	Pending, June 30, 1964
(A) Legal activities:				
1. Exclusion (appeals from decision of special inquiry officer involving aliens seeking admission to the United States)	6	124	114	16
2. Deportation (appeals from decision of special inquiry officer involving aliens in the United States in violation of law)	86	721	700	107
3. Fines (appeals from decision of the District Director involving fines imposed on carriers for violation of the immigration laws)	3	62	62	3
4. Sec. 212(c) (appeals from decision of the District Director on application for advance authorization for readmission notwithstanding the existence of grounds of inadmissibility)	0	5	5	0
5. Sec. 212(d) (appeals from decision of the regional commissioners or the assistant commissioners, Examination Division, on applications for advance authorization for temporary admission notwithstanding the existence of grounds of inadmissibility)	1	14	15	0
6. Sec. 203-6 (appeals from decision of the District Director involving petition for nonquota or preference quota status based on the relationship of the alien to a citizen or lawful resident of the United States)	14	138	142	10
7. Sec. 242-2 (appeals from decision of the District Director, Deputy District Director, or officers in charge refusing to release an alien in custody under a deportation proceeding on bail or parole)	0	20	19	1
8. Sec. 246 (rescission of adjustment of status)	0	8	7	1
Total appeals	110	1,092	1,064	138
Deportation:				
Sec. 243(a)	1	10	11	0
Sec. 243(h)	23	139	139	23
Sec. 245	24	129	132	21
Sec. 249	1	9	10	0
Total appeals	49	287	292	44

II. Motions (motion to the Board to reconsider a decision made by it to reopen a case for further hearing in any of the foregoing categories)

Class of case	On hand July 1, 1963	Received	Disposed	Pending June 30, 1964
(A) Legal activities:				
1. Exclusion	1	14	15	0
2. Deportation	9	217	216	10
3. Fines	0	3	2	1
4. Sec. 212(c)	0	0	0	0
5. Sec. 212(d)	0	0	0	0
6. Sec. 203–6	1	12	13	0
7. Sec. 242–2	0	1	1	0
8. Sec. 246	0	0	0	0
Total motions	11	247	247	11
Total appeals and motions	121	1,339	1,311	149
Deportation:				
Sec. 243(a)	0	4	4	0
Sec. 243(h)	4	8	10	2
Sec. 245	1	47	47	1
Sec. 249	2	5	5	2
Total motions	7	64	66	5
Total appeals and motions	56	351	358	49

(B) Oral arguments, July 1, 1963, to June 30, 1964 (this consists of oral presentation by counsel before the BIA in conjunction with an appeal or motion):
1. Number of oral arguments heard 361

III. Administrative activities

(A) Attorneys, July 1, 1963, to June 30, 1964 (title 8, sec. 292 CFR provides for disbarment and suspension of attorneys):
1. Attorneys disbarred 0
2. Attorneys suspended 0
3. Board orders 0

(B) Recognition of social, charitable, and religious organizations to practice (title 8, sec. 292.2, amended Apr. 23, 1958):
1. Applications on hand July 1, 1963 0
2. Applications received 3
3. Applications approved 0
4. Applications denied 2
5. Applications improper 3
6. Applications on hand June 30, 1964 1
7. Board orders 2

(C) Correspondence:
1. Correspondence received 510
2. Correspondence disposed 510
3. Correspondence, other (outgoing) 2,394
4. Total correspondence 2,904

IV. Fiscal activities (July 1, 1963, to June 30, 1964)

(A) Fees earned by BIA:
1. Case fees (filing of appeals and motions) $21,455
2. Total fees earned for fiscal year 1964 21,455

(B) Administrative fines and penalties, July 1, 1963, to June 30, 1964 (cases in this category reach the Board on appeal by carriers (vessels and aircraft) involving violations of the Immigration and Nationality Act):
1. Total amount of fines or penalties imposed by the INS before appeal 39,940
(a) Less total amount mitigated after appeal 18,700
(b) Balance of fines imposed after appeal 21,240
2. Total amount of fines imposed 21,240

Grand total, (A) fees earned and (B) administrative fines imposed 42,695

INCREASE REQUESTED

Mr. ROONEY. These pages indicate the request is in the amount $336,000, which would be a requested increase of $4,200 over the fiscal year 1965 adjusted appropriation.

The request is set forth on page 7–2 and is entirely statutory; is that right?

Mr. FINUCANE. That is right. We are asking for no increases because of increased personnel or any other reason.

Thank you, Mr. Chairman.

LIBRARY

MONDAY, MARCH 1, 1965.

WITNESS

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

Mr. ROONEY. Gentlemen, the next item is for the Library and is to be found under tab 8 of the justifications.

Mr. BROWN. Mr. Chairman, this is an item ordinarily handled by Mr. Andretta but I will try to do the job today.

Mr. ROONEY. Before you proceed, we shall insert at this point in the record pages 8–1 through 8–6 of the justifications.

(The pages follow:)

Library

Appropriation, 1965	$294,100
Proposed pay act supplemental	6,200
Appropriation adjusted, 1965	300,300
Estimate, 1966	324,400
Increase	24,100

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

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

AMOUNT REQUESTED

It is estimated that an appropriation of $324,400 will be needed to maintain and service the library in fiscal year 1966. This is $24,100 more than the funds required for 1965. The increases are as follows:

Cost of statutory provisions:	
1966 costs under 1964 Pay Act (Public Law 88–426)	$100
Step increases due in fiscal year 1966	2,800
Personnel benefits related to above	300
Total	3,200
Lawbook continuation services	20,900
Total increase	24,100

GENERAL STATEMENT

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

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

The cost of updating present volumes (continuations) has increased substantially in recent years as the library continues to grow and the unit prices charged by the publishers are advanced. Annual payments for these services have risen from $84,285 in fiscal year 1961 to $109,600 in fiscal year 1964. A small increase ($6,500) was granted for the current year for this purpose but the actual costs have risen considerably beyond the larger amount presently available of $94,100. The Department is doing everything possible to keep these costs from rising but the annual supplements continue to increase in volume and price beyond administrative control. The law services are the working tools of lawyers and must be provided in support of the legal activities of the Department.

An additional amount of $20,900 is requested to meet the present higher costs of continuation services.

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

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

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

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
Volumes in the libraries	237,713	243,160	249,522	255,000	260,000
Acquired during year by purchase, gift, etc.	8,590	5,457	6,362	5,000	5,000
Books and periodicals circulated	229,463	243,000	249,159	250,000	250,000
Books used in libraries for reference	426,604	450,000	460,202	465,000	470,000
Books borrowed from other libraries	3,607	2,139	2,094	2,000	2,000
Books loaned to other libraries	731	497	590	500	500
Material cataloged	7,739	5,601	5,599	5,000	5,000
Cards added to public catalog	5,182	4,434	5,266	5,000	5,000
Binding and mending (volumes)	----------	1,176	1,669	1,500	1,500

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.

INCREASE REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount of $324,400, which would be an increase of $24,100 over fiscal year 1965 adjusted appropriations.

Do you want to address yourself to this, Mr. Brown?

Mr. BROWN. $3,200 of that amount is necessary to comply with the statutory provisions that recur each year; $20,900 is to augment the fund for lawbook continuations.

Mr. ROONEY. How much do you presently have for lawbook continuations?

Mr. BROWN. This year we have $94,100 set up in the budget. Last year we actually spent $109,600. What we are trying to do is to meet the actual costs occurring now and also to provide for some slight escalation in costs next year.

I might say that our library costs are very conservative. We have a good man in charge of that work and he is very careful in his selection of books. You will notice that the fund for new books is very modest and there is no increase requested in that. The increase is merely to take care of the pocket parts and the material to update the existing sets of books.

Mr. ROONEY. Two o'clock, gentlemen, if you will.

AFTERNOON SESSION

ADMINISTRATIVE DIVISION

WITNESS

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

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

We shall now direct our attention to the last of the subitems under "Salaries and expenses, general administration." It is entitled "Administrative Division" and is to be found under tab 9 of the justification book.

At this point we shall insert in the record pages 9–1 through 9–24 of that book.

(The pages follow:)

Administrative Division

Appropriation, 1965	$2,734,000
Proposed pay act supplemental	121,500
Appropriation adjusted, 1965	2,855,500
Estimate, 1966	2,928,200
Increase	72,700

The Assistant Attorney General for Administration 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 Assistant Attorney General for Administration also supervises the administrative operations of the U.S. marshal's and attorneys' offices, the Board of Immigration Appeals, the Board of Parole, and the Office of the Pardon Attorney.

AMOUNT REQUESTED

A budget of $2,928,200 is proposed to support the functions of the Administrative Division during fiscal year 1966 or $72,700 more than the amount required for 1965. The entire additional amount requested is needed to meet the cost of statutory salary increases, as follows:

Additional cost of 1964 Pay Act in 1966	$1,200
Step increases due in fiscal year 1966	57,400
Wage board increases authorized in 1964	9,100
Personnel benefits related to above	5,000
Total increase	72,700

GENERAL STATEMENT

This Division handles the business operations of the Department and serves as the central office for departmentwide administrative and advisory programs, including liaison with other Government agencies and the Appropriations Committees of Congress.

It manages the financial affairs; performs housekeeping and supportive services; compiles statistical information on litigation, and conducts management studies and examinations of field offices of the Department and the judiciary.

Although the demands for administrative services steadily increase as the workload and functions of the Department continue to expand, no additional personnel is requested for the fiscal year 1966. We believe the growing workload can be handled with present staff through improved techniques in accounting, payrolling, and auditing operations, the introduction of faster and more sophisticated ADP equipment, and generally improved manpower utilization throughout the Division.

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 organizational 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 the 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 processes approximately 160,000 accounting documents annually.

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 about 2,700 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 processes an increasing number of punched cards each year. In 1964 it processed almost 165 million cards in connection with these functions. Modern machines and methods are utilized to the optimum extent.

Detailed workload tables appear immediately following.

BUDGET AND ACCOUNTS OFFICE

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
ACCOUNTING SECTION					
Accounting documents processed	159,701	159,883	160,027	162,000	162,000
Allotment accounts maintained	640	300	154	24	24
Monthly reconciliation of allotment accounts	104	75	45	30	30
Letters	2,123	1,863	1,968	2,000	2,000
FINANCIAL REPORTS SECTION					
Authorizations	928	936	980	1,050	1,050
Letters	1,205	1,300	1,450	1,500	1,500
Documents certified for funds	13,752	17,021	17,500	18,000	18,000
PAYROLL SECTION					
Regular, supplemental payrolls, pay vouchers	1,123	974	1,055	1,075	1,080
Average number of employees paid	2,527	2,693	2,729	2,800	2,800
Average number of changes for period	363	504	593	850	500

Workload—Statistical and machine services section

	Actual			Estimated	
	1962	1963	1964	1965	1966
U.S. attorneys:					
Criminal reports	2,184	2,200	2,208	2,208	2,208
Civil reports	1,092	1,100	1,104	1,104	1,104
Caseload reports	1,092	1,100	1,104	1,104	1,104
Financial summaries	1,092	1,100	1,104	1,104	1,104
Receipts	62,333	65,017	61,278	63,000	63,000
Lands Division reports	1,440	1,440	1,452	1,452	1,452
Civil Division reports	72	76	144	144	144
Tax Division reports	12,585	15,068	16,242	16,500	16,500
Marshals' reports	2,184	2,200	2,208	2,208	2,208
Personnel actions received	9,226	7,900	6,739	7,000	7,000
Statistical reports prepared—monthly, annually, as requested	5,436	5,620	5,713	5,800	5,800
Cards punched and verified	1,706,923	2,042,941	1,876,068	2,000,000	2,000,000
Cards processed	132,566,554	155,998,451	165,130,689	165,000,000	165,000,000
Individual inquiries as to status of cases reported by U.S. attorneys	902	518	111	250	250

LEGAL AND LEGISLATIVE OFFICE

This Office performs legal research and advisory service for the business management operations of the Department of Justice. It is consulted on problems and situations requiring advice on legal and administrative procedures relating to the service of process, court cases and costs, overtime compensation, disposition of seized property and collections on civil claims and judgments, witnesses, and similar procedural matters.

It serves as liaison and control center between prosecuting attorneys and foreign service officers, military establishments, etc., for procuring witnesses from the Armed Forces, foreign countries, and certain governmental agencies for appearance before grand juries and the courts, and advises parties concerned as to fees, compensation, and expenses allowable.

The Office reviews and prepares memorandums, for the approval of the Administrative Assistant Attorney General, on proposed bills submitted by Congress to the Department for its views. It reviews contracts for storage, printing, translating and interpreting, court reporting, and for other services; submits questions to the Comptroller General for decisions; administers the program for the consolidated bonding of employees; checks on claims of discrimination by contractors dealing with the Department; interprets the regulations on overtime and mileage allowances of U.S. attorneys' and U.S. marshals' personnel; and considers and adjudicates tort claims arising from actions of departmental employees.

During the year 111 administrative tort claims, totaling $65,025.50 were considered and settled.

Careful review of requests for authority to install additional telephone equipment, travel, pay expert witnesses, overtime compensation, etc., resulted in an overall savings of $65,340.63.

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
Letters, interoffice memorandums, authorizations, telegrams, etc.	5,670	6,456	6,131	6,250	6,250
Research and legislative memorandums	84	81	48	60	60
Federal tort claims considered	73	80	111	125	125
Allowed	58	68	89	95	95
Disallowed	15	12	22	30	30

EXAMINERS' SECTION

The Examiners' Section is responsible for the field examination of the official acts, records, and accounts of the U.S. attorneys and U.S. marshals, and those of court offices under the supervision of the Administrative Office of the U.S. Courts. General examinations are scheduled to cover all offices in a district on a regular 2-year basis. Special examinations are undertaken when warranted by conditions in a particular office. Every effort is made to maintain the staff necessary to meet these schedules, but it is difficult to recruit and retain qualified personnel for these specialized positions.

A total of $67,084.84 was collected or accounted for during the year.

The following workload tables show detailed comparisons for 5 years:

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
General examinations (districts): Concluded during year	21	31	21	34	45
Special examinations concluded during year:					
District attorneys	6	4	5	8	10
U.S. marshals	60	15	13	30	65
Others	3	6	11	10	10
Total concluded	69	25	29	48	85
Special investigations or inquiries made in connection with general examinations	120	105	118	125	140
Reports submitted (all classes)	283	294	254	455	520
Memos, letters, etc., prepared by office staff	3,569	3,596	3,670	4,500	4,850

ADMINISTRATIVE SERVICES OFFICE

This Office has supervision over the Secretarial and Reproduction Section, telephone office, garage, and the Supplies and Printing Section. It is also responsible for the acquisition, utilization, and disposal of space for the Department plus building maintenance and services.

In cooperation with the General Services Administration, plans are formulated for housing departmental activities in new Federal buildings throughout the country. Space estimates are also prepared on proposed new structures.

The program of upgrading space and equipment continues, and physical improvements have been made in a number of buildings where the Department occupies space.

This Office processed a total of 11,053 requisitions for supplies and equipment, and 10,403 purchase and printing orders in fiscal year 1964.

The utilization and disposal of excess property, both real and personal, has continued favorably. Excess personal property having a total acquisition value in excess of $2,223,756 was processed in the Department, with the Bureau of Prisons the chief beneficiary from the disposals.

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
SUPPLIES AND PRINTING SECTION					
Requisitions received	13,048	13,018	11,053	13,000	13,000
Purchase and printing orders issued	11,399	11,814	10,403	12,000	12,000
Total amount purchased	$2,722,495	$2,520,701	$2,480,035	$2,500,000	$2,500,000
SECRETARIAL AND REPRODUCTION SECTION					
Number of letters typed	23,529	28,452	28,709	29,000	29,000
Pages other than letters typed	65,147	60,313	63,013	64,000	64,000
Mimeograph copies	3,683,592	4,218,973	3,656,794	4,000,000	4,000,000
Multilith copies	6,442,694	7,059,236	7,209,007	8,000,000	8,000,000
Photostat copies	294,079	157,624	75,352	76,000	76,000
Xerox copies		77,000	142,237	150,000	150,000
TELEPHONE OFFICE					
Employees serviced	3,350	3,325	3,340	3,400	3,400
Telephone instruments	2,350	2,375	2,581	2,650	2,700
Average calls handled per day	10,000	10,000	10,500	11,000	11,000

MANAGEMENT OFFICE

This Office serves in management improvement matters, in organization and methods matters, forms control, and reports management. The management improvement program encompasses both departmental and field offices. The Office consists of the Forms and Reports Section, and a Management Analysis Section.

The Management Office has the operational responsibility for the Department's directives control system and overall responsibility for technical direction and assistance to bureaus and offices with established forms and reports programs, and for direct assistance to other components, departmental and field, of the Department. The work of this Office is expanding as additional offices and divisions call for studies and surveys in the management area.

Workload statistics are shown by the following tables:

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
Major surveys:					
Completed	8	10	8	11	11
In progress June 30	1	1	2	(1)	(1)
Minor surveys and projects:					
Completed	9	18	14	18	18
In progress June 30	0	0	2	(1)	(1)
FORMS AND REPORTS SECTION					
Total forms requisitions processed	1,571	1,617	1,419	1,530	1,500
Forms discontinued without replacement	43	94	46	60	40

[1] Not available.

PERSONNEL OFFICE

The Office develops and directs the personnel program for the Department and provides personnel services in the field and for departmental employees in Washington. It is responsible for formulating and issuing policy, position classification, pay administration and staffing; employee evaluation, employee development, training, relations, services, recognition, and incentives; personnel records and reporting, and program evaluation.

Detailed comparisons of the actual workloads for the last 3 years and estimates for fiscal years 1965 and 1966 are shown in the following tables:

WORKLOAD

Personnel operations section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Appointments, changes, separations, pay adjustments, etc.	7,330	[1] 12,540	[2] 11,560	[3] 12,600	7,200
Information and credit calls	11,347	11,872	12,828	12,900	12,900
Service computation dates established through review of personnel files	1,393	1,047	757	750	750

[1] Includes approximately 5,300 pay changes as a result of Public Law 87-793, approved Oct. 11, 1962.
[2] Includes approximately 4,600 pay changes as a result of Public Law 793, approved Oct. 11, 1962, phase II effective Jan. 1, 1964.
[3] Includes approximately 5,400 pay changes as a result of Public Law 88-426, approved Aug. 14, 1964, effective July 5, 1964.

Placement section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Qualification checks	3,943	3,998	3,606	3,600	3,600
Certification requested CSC	639	333	449	450	450
Interviews and inquiries	23,012	23,392	26,136	26,000	26,000
Correspondence prepared	6,165	6,142	1,541	6,500	6,500
Character investigations reviewed	756	608	557	550	550
CLASSIFICATION SECTION					
Positions surveyed, departmental and field	3,100	3,600	3,400	3,400	3,400
Staff assistance to bureaus (man-hours)	1,200	1,400	1,500	1,800	1,800
Program procedures and training operations (man-hours)	1,500	800	1,000	1,000	1,000

Employee relations section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Computations (annuity, length of service for retirement and award purposes)	1,855	1,127	1,320	1,300	1,300
Forms processed: Application for retirement; notice of retirement approvals; designations (life insurance, retirement, unpaid compensation); employees compensation; service credit, and death claims	1,455	1,373	1,339	1,350	1,350
Correspondence	1,400	1,730	2,245	2,300	2,300
Circulars	34	45	50	50	50
Awards and suggestions:					
Awards for length of service	2,335	1,797	1,479	1,500	1,500
Certificates presented (total, all awards)	2,459	1,951	1,737	1,700	1,700
HEALTH UNIT					
Employees treated	14,009	14,595	14,358	14,400	14,400

RECORDS ADMINISTRATION OFFICE

The Records Administration Office is responsible for the administration of records of the Department including field offices. This program consists, mainly, of management surveys and analyses of the Department's records; segregating and processing records for retirement that have legal, administrative, or historical significance; transferring to intermediate repositories records which may be subject to disposal at the expiration of a certain period of time; recommendation and submission to the National Archives and Congress of disposal lists and schedules for the destruction of obsolete records; and review and analysis of all recordkeeping functions and the creation of new recordkeeping systems when necessary.

It is also the central recordkeeping organization of the Department and in this capacity receives, dispatches, classifies, assigns, controls, files, services, and performs all record functions on mail, files, and records of the Department. It also has custody and control of the legal and administrative files of the Department including those files relating to the national defense.

This office received and dispatched over 2¾ million pieces of mail in 1964, classified and assigned 806,000 pieces, and filed 958,000 pieces. It disposed of approximately 51,200 cubic feet of old records by destruction or retirement.

The records retirement program was initiated in 1944, at that time the Department's records amounted to 910,000 cubic feet. The average annual accumulation of records has been about 54,000 cubic feet. This Office disposed of 1,397,452 cubic feet since then, leaving 554,031 cubic feet on hand.

Savings realized from this program are as follows:

Cabinets saved	167,147
Cost of cabinets, at $75 each	$8,584,600
Space saved, square feet	1,170,008
Cost of space, at $4 per square foot (annual rental)	$4,680,032
Salvage as waste paper	$198,726
Total savings	$13,463,358

Further details are shown in the following tables:

Communications Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Incoming mail	1,196,088	1,361,456	1,395,339	1,400,000	1,410,000
Outgoing mail	977,223	1,172,238	1,361,956	1,400,000	1,400,000
Letters prepared and mailed	370,021	329,856	312,891	315,000	315,000
Checks processed	2,985	3,491	2,879	2,900	2,900
Orders and memoranda distributed	350,681	494,789	436,305	450,000	450,000
Telegrams	23,359	26,400	23,702	25,000	30,000
Total	2,920,357	3,388,230	3,533,072	3,592,900	3,607,900
IDENTIFICATION SECTION					
Mail assorted and opened	918,044	938,337	806,371	810,000	820,000
Mail classified and assigned	918,044	938,337	806,371	810,000	820,000
Index and record cards made	466,518	486,220	452,468	460,000	470,000
Searches, record cards and Classification Section	49,165	49,978	46,470	50,000	50,000
Total	2,351,771	2,412,872	2,111,680	2,130,000	2,160,000

Files and Service Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Papers and enclosures filed	939,050	935,762	957,931	960,000	960,000
Files and enclosures issued	234,115	247,005	258,344	260,000	265,000
Files and enclosures indexed	49,448	81,767	62,757	70,000	70,000
Service section requests	142,175	150,329	141,881	145,000	150,000
Searches	31,346	31,233	32,616	35,000	35,000
New files	58,775	55,192	60,149	60,000	64,000
Files and enclosures shipped to Federal Records Center [1]	125,853	67,974	97,700	90,000	95,000
Total	1,580,762	1,569,262	1,611,378	1,620,000	1,639,000

[1] Shipping includes surveying, securing clearances from legal divisions, selecting files, typing locator cards, stamping, packing, and labeling.

Records Retirement Unit

	Actual			Estimated	
	1962	1963 [1]	1964 [1]	1965	1966
Material disposed (cubic feet)	48,862	49,153	51,271	40,000	40,000
Cabinets saved	4,887	4,916	5,128	4,000	4,000
Costs of cabinets saved	$366,525	$368,700	$384,600	$300,000	$300,000
Square feet of space saved	34,209	34,412	35,896	28,000	28,000
Cost of space saved, at $4 per square foot	$136,836	$137,648	$143,584	$112,000	$112,000
Sale price of material destroyed	$6,027	$6,482	$6,619	$5,000	$5,000
Total savings	$509,388	$512,830	$534,803	$417,000	$417,000
ADMINISTRATION SECTION					
Letters and memoranda disposed of	33,840	32,424	38,085	38,000	38,000
Grand total	6,886,730	7,402,788	7,294,215	7,380,900	7,444,900

[1] Actual figures.

NOTE.—Due to late reporting by FBI, Immigration and Naturalazation Service, and Bureau of Prisons; biennial reporting pursuant to GSA Regulation 3-1-1-02-07.

INCREASES REQUESTED

Mr. ROONEY. The inserted pages indicate the request is in the amount of $2,928,200, which would be an increase of $72,700 over the fiscal year 1965 adjusted appropriation.

The increases are set forth at page 9–3, from which it would appear that the entire requested additional amount of $72,700 would be to meet statutory salary increases. Is that correct, Mr. Brown?

Mr. BROWN. That is right, sir.

Mr. ROONEY. Are there any savings that could be made in this area, Mr. Brown?

Mr. BROWN. I do not think so, Mr. Chairman. As the committee knows, this is Mr. Andretta's own Division and he runs it with a rather frugal hand and keeps right on top of the operations at all times.

I might point out that we have undertaken a number of new duties in the last year as a result of Bureau of the Budget regulations and restrictions, in the manpower utilization area and also in the area of controls on positions, both as to grades and salaries.

POSTJUDGMENT COLLECTION PROCEDURES

Mr. ROONEY. Have we had any manpower utilization studies which would indicate we have too many people in any one area?

Mr. BROWN. To my knowledge, none of any significance; maybe one or two employees here and there. But there are studies going on all the time as to how we can handle the increased workload without increasing the staff.

We are also in the midst of a study for improving postjudgment procedures for the collection of judgments. As you know, a report by a congressional committee recently criticized the Department rather severely for not following up more closely on the collection of judgments, and we are attempting to inaugurate a procedure which we think will improve the collection of those judgments. For the first time in recent history we now have an inventory of all outstanding judgments. We have gotten reports from all U.S. attorneys' offices listing the cases, the amounts of the judgments, and certain other data from which we hope to supervise the collection procedures more effectively. We now have approximately 90,000 outstanding judgments totaling $194 million. The report of the committee indicated that our reporting was rather loose under this, but I might say that in view of this recent study we were not too far off, because we had been reporting an average of around $200 million previous to that time.

Mr. ROONEY. What about the collection of the bulk of this money? Is such possible?

Mr. BROWN. That is a debatable point. Some feel—and Mr. Andretta feels, I am sure—that many of these are hard-core cases. Very often they are not referred to the Department unless they are practically uncollectible by the referring agency. They do not turn them over to us until they have exhausted every other means of collection.

Mr. ROONEY. If they are uncollectible you would be spending more money for lawyers and services in order to attempt to collect a judgment on an uncollectible claim. Is that a fair statement?

Mr. BROWN. That is a fair statement if they are not collectible. We do not feel they are all uncollectible but a good many are. Take the case of a judgment fine where a man has served 3 or 4 years in jail and he also has a substantial fine assessed against him. There is not much chance of collecting that fine when he is turned back on society without a job and has to make his way from scratch. It is also probable that a good many civil judgments will have to be written off.

We are trying to provide guidelines and standards for the U.S. attorneys which will permit them to write off those cases when they determine them to be uncollectible.

Mr. ROONEY. It might appear that some consideration might be given to hiring a collection agency and giving them a contingent collection fee for collecting some of these claims.

Mr. BROWN. That has been suggested and I think it has been considered.

Mr. CEDERBERG. Off the record.

(Discussion off the record.)

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	13,749	16,034	16,380
11.3	Positions other than permanent	222	161	161
11.4	Special personal service payments	1,022	1,105	1,105
11.5	Other personnel compensation	70	5	5
	Total personnel compensation	15,063	17,305	17,651
12.0	Personnel benefits	1,042	1,193	1,231
21.0	Travel and transportation of persons	900	1,018	1,044
22.0	Transportation of things	7	5	5
23.0	Rent, communications, and utilities	324	459	510
24.0	Printing and reproduction	520	542	551
25.1	Other services	189	240	251
25.2	Services of other agencies	79	59	59
26.0	Supplies and materials	138	141	141
31.0	Equipment	199	161	102
91.0	Unvouchered	18	20	20
	Total costs, funded	18,479	21,143	21,565
94.0	Change in selected resources	−112		
99.0	Total obligations	18,367	21,143	21,565

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	1,617	1,723	1,724
Full-time equivalent of other positions	24	16	16
Average number of all employees	1,519	1,638	1,645
Average GS grade	9.2	9.1	P 9.2
Average GS salary	$9,271	$9,742	$9,917
Average salary of ungraded positions	$14,833	$16,690	$16,690

Program and financing

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate
Program by activities:			
1. Conduct of Supreme Court proceedings and coordination of appellate matters	590	569	588
2. General tax matters	4,097	4,669	4,813
3. Criminal matters	3,251	3,486	3,492
4. Claims, customs, and general civil matters	4,181	4,568	4,572
5. Land matters	3,527	3,805	3,810
6. Legal opinions	526	605	609
7. Internal security matters	1,114	1,232	1,229
8. Civil rights matters	1,193	2,209	2,452
Total program costs, funded	18,479	21,143	21,565
Change in selected resources [1]	−112		
10 Total obligations	18,367	21,143	21,565
Financing:			
25 Unobligated balance lapsing	206		
New obligational authority	18,573	21,143	21,565
New obligational authority:			
40 Appropriation	18,573	20,443	21,565
41 Transferred to "Operating expenses, Public Buildings Service," General Services Administration (78 Stat. 655)		−3	
43 Appropriation (adjusted)	18,573	20,440	21,565
44 Proposed supplemental due to civilian pay increases		703	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	18,367	21,143	21,565
72 Obligated balance, start of year	1,883	1,964	2,217
74 Obligated balance, end of year	−1,964	−2,217	−2,557
77 Adjustments in expired accounts	24		
90 Expenditures excluding pay increase supplemental	18,309	20,236	21,176
91 Expenditures from civilian pay increase supplemental		654	49

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, $544,000 (1964 adjustments, $1,000); 1964, $433,000; 1965, $433,000; 1966, $433,000.

Mr. ROONEY. Next, gentlemen, is the item entitled "Salaries and expenses, general legal activities," which is to be found at page 84 of the committee print and beginning at tab 10 of the justifications.

We shall insert at this point in the record pages 10–1 through 10–5, which indicate that the total request is in the amount of $21,565,000, which would be an increase of $1,122,000 over the amount appropriated to date for the current fiscal year.

(The pages follow:)

Summary analysis of estimate—Salaries and expenses, general legal activities

[In thousands of dollars]

Appropriated, 1965	20,443
Proposed pay act supplemental	703
Less transfer to GSA for rent	−3
Appropriation, 1965 (adjusted)	21,143
Estimate, 1966	21,565
Increase	422

Analysis by activities

Office or division	1965 requirements	Decreases	Increases	1966 estimate
Solicitor General	$569		$19	$588
Tax Division	4,669		143	4,812
Criminal Division	3,486		5	3,491
Civil Division	4,568		4	4,572
Lands Division	3,805		5	3,810
Office of Legal Counsel	605		4	609
Internal Security Division	1,232	$2		1,230
Civil Rights Division	2,209	60	304	2,453
Total obligations	21,143	62	484	21,565

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

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

The amount of $21,565,000 is requested for fiscal year 1966 to meet the requirements of the several legal divisions listed above. This is a net increase of $422,000 over the amount required for 1965, of which $327,000 is needed for statutory provisions.

PROGRAM AND PERFORMANCE

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

1. *Conduct of Supreme Court proceedings and coordination of appeallate 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.

Worklaod

	Actual		Estimate	
	1963	1964	1965	1966
Cases:				
Pending, beginning of year	5,035	5,668	5,474	5,271
Received	9,506	9,937	10,435	10,964
Terminated	8,873	10,131	10,638	11,251
Pending, end of year	5,668	5,474	5,271	4,984
Matters:				
Pending, beginning of year	177	212	136	56
Received	305	425	445	460
Terminated	270	501	525	500
Pending, end of year	212	136	56	16

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

Workload

	Actual		Estimate	
	1963	1964	1965	1966
Cases:				
Pending, beginning of year	202	321	727	810
Received	4,763	4,351	4,545	4,770
Terminated	4,644	3,945	4,462	4,720
Pending, end of year	321	727	810	860
Matters:				
Pending, beginning of year	(1)	0	1,535	1,338
Received	(1)	5,437	5,440	5,700
Terminated	(1)	3,902	5,637	5,815
Pending, end of year	(1)	1,535	1,338	1,223

[1] Not available.

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.

Workload

	Actual		Estimate	
	1963	1964	1965	1966
Cases:				
Pending, beginning of year	[1] 14,710	13,544	11,631	12,337
Received	9,814	11,424	10,426	10,644
Terminated	10,980	11,199	9,720	9,837
Delegations to U.S. attorneys		2,138		
Pending, end of year	13,544	11,631	12,337	13,144

[1] Separate statistics on matters are not maintained since claims or complaints usually are referred by other Government agencies and develop into cases.

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 proclamation are reviewed as to form and legality.

7. *Internal security matters.*—Litigation and related matters concerning the internal security of the United States are handled by this activity.

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

Workload

	Actual		Estimate	
	1963	1964	1965	1966
Cases:				
Pending, beginning of year	184	245	191	240
Received	247	236	350	400
Terminated	186	290	301	340
Pending, end of year	245	191	240	300
Matters:				
Pending, beginning of year	969	926	1,019	1,800
Received	3,911	4,136	5,000	6,000
Terminated	3,954	4,043	4,219	6,500
Pending, end of year	926	1,019	1,800	1,300

TAX DIVISION

WITNESSES

LOUIS F. OBERDORFER, ASSISTANT ATTORNEY GENERAL
JOHN B. JONES, FIRST ASSISTANT
C. GUY TADLOCK, EXECUTIVE ASSISTANT

Mr. ROONEY. This requested appropriation is broken down into eight categories, the first of which is entitled "Office of the Solicitor General." Since the Solicitor General is presently in court and not ready at the moment, we shall proceed to the next category entitled "Tax Division," which is to be found under tab 12 of the justifications book.

We shall at this point in the record insert pages 12–1 through 12–33 of that book.

(The pages follow:)

Tax Division

Appropriation, 1965	$4,470,000
Proposed pay act supplemental	199,200
Appropriation adjusted, 1965	4,669,200
Estimate, 1966	4,812,500
Increase	143,300

Tax Division

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

The Division's duties in civil tax litigation include (1) the preparation and trial of cases in the U.S. district courts, the U.S. Court of Claims and States courts; (2) the preparation of briefs and the conduct of oral arguments in the U.S. courts of appeal, 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.

JUSTIFICATION

AMOUNT REQUESTED

The Tax Division will require an allotment of $4,812,500 for 1966, an increase of $143,300 over the amount required for 1965. No additional personnel is requested for the 1966 fiscal year.[1] The increase provides for the costs of statutory provisions relating to Government personnel, and a fund to provide a realistic

[1] In fact, provision is made for 8 less positions on a net basis.

promotion plan for young attorneys who are now committed to at least 4 years of service with the Division.[2]

The 1966 estimate provides for the following increases:

Costs due to statutory provisions:	
Step increases due in 1966	$29,300
Additional cost in 1966 of 1964 Pay Act	2,200
Personnel benefits related to above	4,300
Subtotal	35,800
Promotion plan	100,000
Related personnel benefits	7,500
Subtotal	107,500
Total increase	143,300

GENERAL STATEMENT

The principal objective of the Division is to encourage the maximum adherence to the tax laws. An immediate objective is to bring the workload under tighter control by further speeding up the processing of cases in the Division and through the courts and thus bring about a yearly reduction in the backlog of pending cases. The achievement of these objectives depends to a large extent upon the enforcement activities of the Internal Revenue Service. In the past 4 years, Revenue has increased its staff by over 12,000 employees and is in the midst of a program to expand substantially enforcement of the revenue laws. The Commissioner has reported that the institution of automatic data processing is on schedule with returns from large parts of the country on the system and the balance due to be included by 1966. He states that many additional audits are being conducted as a result of ADP and the number will increase sharply over the next 3 years. Audits lead to lawsuits, both civil and criminal, between taxpayers and their Government.

Tax litigation has increased 30 percent in the past 2 years; and for the first time in history over 10,000 tax cases were commenced in court in fiscal 1964. Taxpayers are bringing suits in increasing numbers for the refund of taxes; and the effort continues to collect from delinquent taxpayers. Requests from the Revenue Service to enforce administrative summons are still on the rise while there was an increased effort by taxpayers to enjoin the collection of assessed taxes. The enforcement of the criminal tax statutes has been pressed with vigor. The Tax Division has, for the most part, no control over the number of types of revenue cases and matters it is called upon to handle.

The rise over the past two decades in the volume of tax litigation is revealed by the following tabulation:

	1964	1963	1962	1961	1960	1955	1950	1947
New tax cases in court:								
Civil	9,635	9,068	7,142	6,159	5,783	3,959	2,731	1,465
Criminal	727	743	739	726	686	585	360	395
Total	10,362	9,811	7,881	6,885	6,469	4,544	3,091	1,860

[2] Since early in 1961, the Tax Division has obtained a 4-year commitment from new appointees, most of whom enter at grade GS–9 shortly after graduation from law school and provision must be made for regular grade promotions based upon performance and increased competence. Heretofore, young attorneys have remained with the Division for an average of only 2 years. It is estimated that the 5 percent increase in new work expected during 1966 can be absorbed by the present staff if attorneys are held to their 4-year commitment and are promoted regularly. A similar request was approved by the Bureau of the Budget for the current year but was not allowed by the House for that year. The overall request is less than what was approved for fiscal 1965 by the Bureau of the Budget (not considering the 1964 pay increase).

DETAILED EXPLANATION OF ESTIMATE BY ACTIVITY

The Division represents a single activity under the appropriation for general legal activities with its work divided into two main categories, i.e., civil and criminal tax litigation and matters. Civil cases and matters comprise 92 percent of the volume of work and criminal, the remaining 8 percent. Likewise, civil work accounts for about 90 percent of the cost of operations.[3]

A. Workload data and past year's performance. As noted, there was a continued rise in new business in fiscal 1964.[4] In spite of this, considerable progress was made in enforcing the revenue laws and in keeping up with the workload: closings reached a new high and the backlog was reduced for the first time in 5 years; time intervals remained low and for the most part, court deadlines were met; work production figures were high with a new record for court appearances; the margin of success was the highest in 15 years; over $156 million was saved for the Treasury or collected from delinquent taxpayers;[5] and, criminal convictions were the highest in 8 years.

1. Workload data and backlog

(*a*) *Workload and predictions.*—All factors point to a continued upward trend in the volume of tax litigation. (See Section on Work Pending and Anticipated, infra.) The following table reveals the work situation over the past 9 years and makes predictions for the current and budget years.

Workload data: Actual 1956–64, estimated 1965–66

Work	1956	1957	1958	1959	1960	1961	1962	1963	1964	Estimated	
										1965	1966
Pending	6,210	5,064	4,685	4,386	4,261	4,416	4,704	5,212	5,880	5,610	5,327
Received	4,827	5,225	5,811	6,227	6,469	6,885	7,881	9,811	10,362	10,880	14,424
Closed	5,973	5,604	6,110	6,352	6,314	6,597	7,373	9,143	10,632	11,163	11,751
Pending	5,064	4,685	4,386	4,261	4,416	4,704	5,212	5,880	5,610	5,327	5,000

NOTES AS TO PREDICTIONS

Received: Increased 5 percent in fiscal 1964, 25 percent in 1963 and it is predicted that new work will will go up 5 percent in 1965 and 5 percent in 1966.

Closed: Increased 16 percent in fiscal 1964, 25 percent in 1963 and it is estimated that closings will increase approximately 5 percent in 1965 and 1966.

In presenting the workload data chart with the justification for the 1965 fiscal year, it was predicted that the Division would receive 10,887 tax cases and matters in fiscal 1964 and close 10,056. Receipts totaled 10,362 while closings were 10,632 with the result that the pending workload decreased 270 cases.

(*b*) *Backlog.*—As indicated in the workload tabulation, supra, the backlog was reduced for the first time in 5 years.

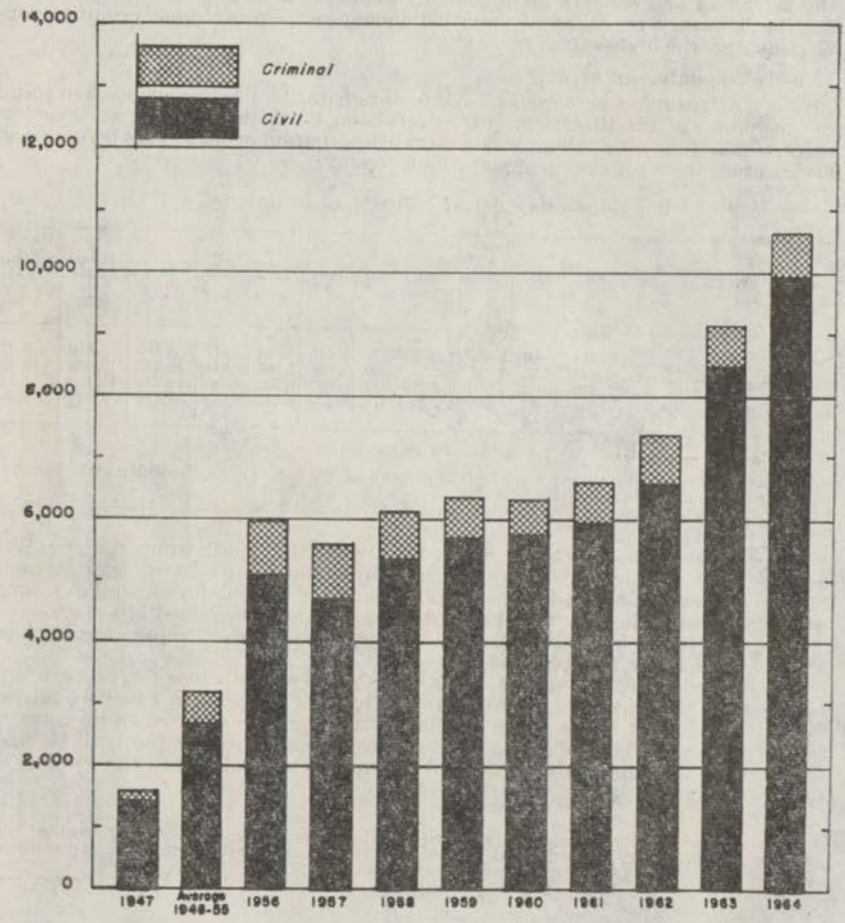
The increase over the past 4 consecutive years was a cause for concern and every effort was made to insure that the number of pending cases would not increase again and the reversal of the upward trend is believed to be a major accomplishment. The following charts reveal the upward trend in both receipts and closings as well as the serious situation which developed in the backlog of tax cases up to the past fiscal year.

[3] Twenty-nine attorneys are assigned to criminal tax work, about 12 percent of the authorized legal staff. During rush periods, attorneys and clerical employees from other sections are assigned temporarily to criminal tax work.

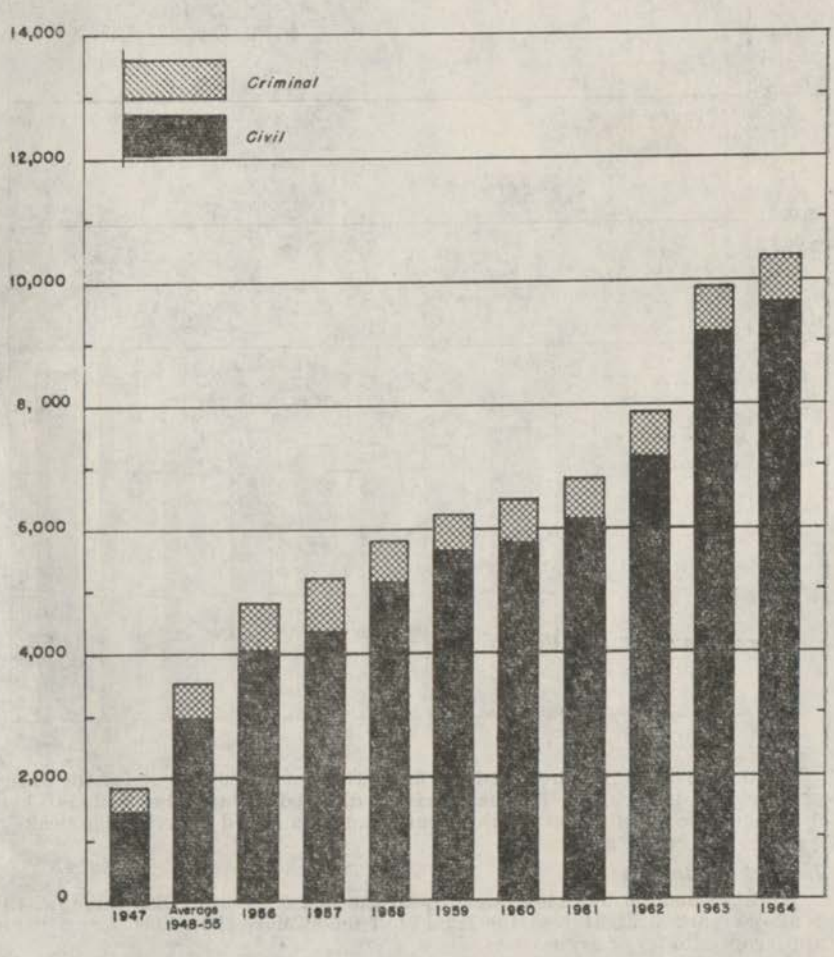
[4] Following on the heels of a 25-percent increase in fiscal 1963, new tax cases rose 5 percent in 1964.

[5] Collections of $45.8 million set a new record.

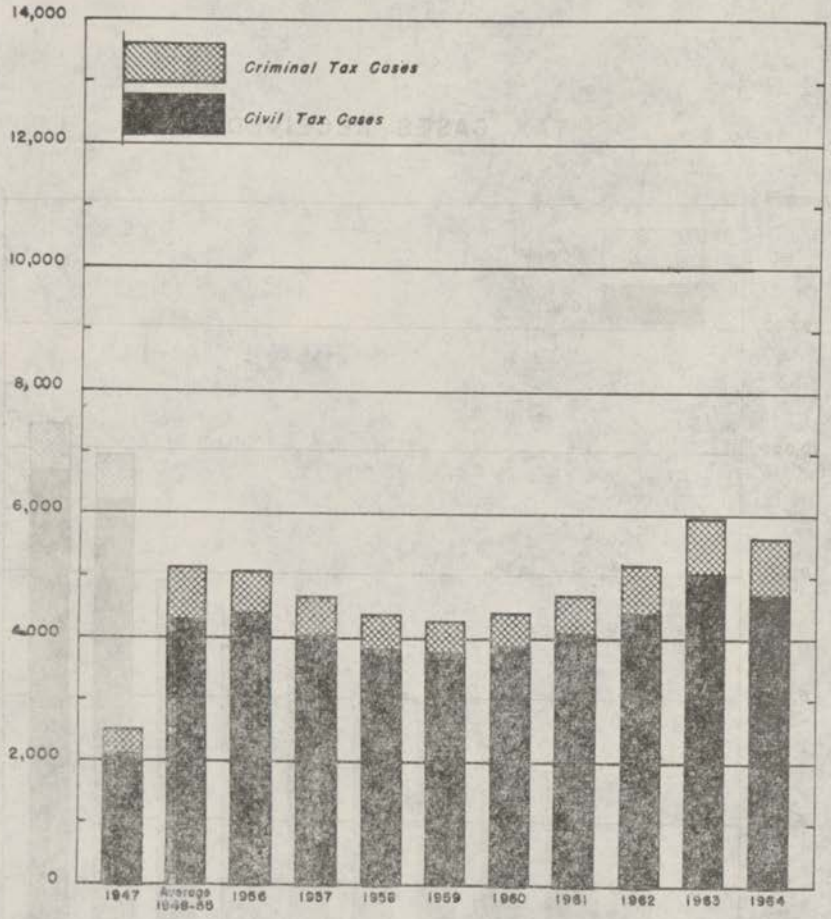
TAX CASES CLOSED



TAX CASES RECEIVED



BACKLOG OF TAX CASES
1947 - 1964 FISCAL YEARS



Small reductions are predicted for fiscal 1965 and 1966 in spite of the anticipated rise in new cases. Emphasis will be directed toward the backlog to keep it manageable and to keep the work current. It is hoped that the high peaks of former years can be avoided.

2. Work production

Work production has risen steadily in the last 10 years. For example, this is the seventh straight year the legal staff made more than 1,000 formal court appearances to try or argue cases.

	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955
Cases tried or argued	1,532	1,106	1,296	1,198	1,121	1,281	1,017	922	921	756
Briefs prepared	1,578	1,617	1,534	1,398	1,114	1,071	976	946	933	789
Pretrials conditions	1,121	1,389	779	575	492	438	387	243	[1]	[1]
Legal memorandums	3,523	3,610	2,992	2,949	2,826	2,812	2,607	2,847	2,485	2,059
Responsive pleadings	1,555	1,418	1,342	1,243	1,478	1,405	1,096	1,053	1,014	896
Complaints filed	510	436	336	273	359	427	285	175	141	116

[1] Figures not available.

Tax division attorneys conducted 94 percent of all trials and arguments in fiscal 1964, a 1-percent increase over last year. U.S. attorneys handled the remaining 6 percent. 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 Procedures, e.g., taking of depositions, serving interrogatories, requests for admissions and the production of documents; and, numerous field trips were made to examine witnesses and exhibits and otherwise to prepare cases for trial. The Division's staff has taken the offensive in all litigation.[6] The Division represents the defendant in refund suits and while the former practice was to await moves by the plaintiff, the Government now is taking the initiative and, in addition to making early discovery, is exploring possibilities for counterclaims and is urging early court determinations through the extensive use of pretrial and special tax calendars. The following tabulation reflects the increased activity of the legal staff in the preparation of cases for trial or other disposition:

	1964	1963	1962
Depositions	1,324	1,411	777
Other discovery actions	715	365	137
Total	2,039	1,776	914

3. Speedup

Litigation continued to be handled with maximum dispatch. The Division maintained the pace set in recent years and (1) held the number of requests for extensions of time to file responsive pleadings and in requesting continuances to minimum; (2) shortened (to a record low) the time to conclude an average case; (3) reduced the period required to process settlement offers; (4) continued to handle average criminal tax cases with dispatch; and (5) expedited the time required to get checks into the hands of taxpayers who had been successful in refund suits.

The following summation shows the steady progress made in reducing the time intervals in handling cases:

Average time to —[7]

	1964	1963	1962	1952
Dispose of a tax case	1 year, 4 days.	1 year, 1½ months.	1 year, 3 months.	3 years.
Process a criminal case in Department	3 months, 25 days.	3 months, 21 days.	3 months, 26 days.	8 months, 15 days.
Process a settlement offer	2 months, 7 days.	2 months, 15 days.	2 months, 17 days.	6 months.
Issue a check to a taxpayer	1 month, 10 days.	1 month, 16 days.	1 month, 9 days.	7 months, 16 days.
Average number of extensions per case	0.14	0.15	0.14	2+.

4. Success

The Division continued to enjoy unusually good success in handling tax litigation in the courts. In fact, the overall margin of success was the highest in 15 years. The following figures compare recent results with various periods in the past:

[In percent]

	1964	1963	1962	1961	1955	1950	1948
Government wins	72	70	69	70	61	67	69
Taxpayers recovery	29	26	25	27	27	52	61
Criminal convictions	96	97	96	95	93	98	95

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

[7] Includes time in Revenue Service.

Final results in the Supreme Court term for tax cases shows five Government wins and four losses. The issues in those cases attracted nationwide interest, involving many millions of dollars in tax liability, and had far-reaching consequences for the assessment and collection procedures of the Revenue Service.[8]

The Government's position was upheld in 269 of 375 decisions of the court of appeals (a 72-percent margin) while the Government was successful in 513 of 710 trial court judgments (a 72-percent margin).

The conviction of 607 persons for tax fraud brought to 7,035 the number found guilty in the past 11 years, and 9,935 in the past 33 years. The number of convictions for the past 7 years is revealed by the following figures:[9]

	1964	1963	1962	1961	1960	1959	1958
Convictions	607	597	552	462	473	497	492

5. Savings and recoveries

As a direct consequence of the activity of the staff of the Division, $156.6 million was saved for the Treasury or collected from taxpayers.[10] Savings in refund suits total $97.5 million (compared with $93.2 million last year) and collections were $35.8 million against $24.3 million in fiscal year 1963. Taxpayers' recoveries were $39.7 million, 29 percent of their claims; while interest payment to taxpayers totaled $2.1 million compared with $4.6 million last year.[11]

In addition to the direct savings accomplished, the decision 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.

6. Current posture of tax litigation

An immediate objective of the Division is the handling of civil tax cases and matters in the most efficient and expeditious manner commensurate with the best interests of the United States and taxpayers, and to prosecute swiftly and vigorously criminal violators of the revenue laws, having in mind the deterrent effect upon future violators as well as the rights of the individuals involved.

As a result of the speedup in the handling of cases through the courts in the past few years, only about 20 percent of the cases in the Division at the end of fiscal 1964 had been pending more than 2 years.

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[8] Among the tax matters resolved by Supreme Court litigation last term were decisions holding (1) that the enactment of a retroactive tax relief statute in the patent-transfer area did not impliedly extend the period for filing refund claims; (2) that the marital deduction under the 1939 code was allowable only to the extent that the property bequeathed to the surviving spouse exceeded in value the community property she was required to relinquish; (3) that a bank's claim against an insurance policy pledged as collateral for a loan will not be marshaled against the death benefit proceeds so as to preserve the cash surrender value to satisfy a later-arising Federal tax lien; (4) that district courts do not have jurisdiction to entertain suits to quash an Internal Revenue summons because taxpayers have an adequate remedy at law by way of defense to the Commissioner's action to enforce the summons; (5) that the Government is entitled to collect postpetition interest from a bankrupt on a tax assessment which is not discharged in the bankrupt proceedings; (6) that the widow's allowance under California law is a "terminable interest" and therefore does not qualify for the marital deduction under the 1939 code; and (7) that an antecedent State tax lien which arises under a State statute modeled after and in terms virtually identical to the Federal statute is sufficiently choate to obtain priority over the later rising Federal tax lien. The Court also upheld the constitutionality of the Tennessee Retailers' Sales Tax Act which imposed a use-tax on the value of Government-owned property used by service contractors in the performance of their contracts with the Atomic Energy Commission.

[9] There were 79 jury trials in criminal cases with the Government obtaining convictions in 54 or a 71-percent margin. This compares with convictions in 74 percent of the jury trials last year and 61 percent in fiscal 1962.

[10] This compares with a total return of $127 million last year and represents an increase of 23 percent. There was a return of $38.20 for each $1 of operating funds spent in 1964 compared with a return of $33.40 for each $1 of operating expenses in 1963.

[11] In addition, we upheld Tax Court decisions totaling $23.3 compared with $8.4 million in fiscal 1963.

Cases under 2 years old—End of fiscal year

[In percent]

	1964	1963	1961	1956	1955
Criminal cases	81	94	92	63	53
Civil cases	80	80	80	67	56
Total	80	83	83	65	55

7. Tax Division's role in organized crime program

The Tax Division has worked consistently during the past 3½ years to coordinate its prosecutive activities with those of the Criminal Division in the Department's drive against organized crime. An effective working arrangement has been set up whereby tax fraud cases involving racketeers and cases in which the taxpayers' income derives from criminal activities are called to the attention of the Criminal Division. The Criminal Division refers to the Criminal Section of the Tax Division tax cases developed as the result of its investigations of organized crime and racketeering. Tax Division jurisdiction over racketeer tax fraud cases remains the same as in other criminal tax prosecutions. The manner of processing and the standards for prosecution of racketeer tax offenders is the same as is uniformly applied to other offenders. As a result of the Tax Division's working arrangements with the Criminal Division, the attorneys of the Tax Division's Criminal Section are able to bring their specialized knowledge of the requirements for successful tax prosecutions to bear on the cases of racketeers with the same high percentage of success as is achieved in the nonracketeer category.

At the close of the fiscal year June 30, 1964, some 122 tax cases in the racketeer category were pending in the Tax Division or were in the indictment stage. This figure is only slightly under last year's peak and represents a continuing high volume of this phase of the Tax Division's criminal workload. Since 1961, there have been 23 successful prosecutions of racketeers for tax fraud.

8. Procedural and administrative improvements

As a result of measures taken in the management improvement and manpower utilization program, there were direct savings in excess of $60,000 during 1964. Such improvements enabled the Division to handle 5 percent more work, to increase closing 16 percent and to make 25 percent more court appearances in fiscal 1964. In addition, the effect of these improvements, as well as the benefits from the careful selection of new personnel, has made it possible for the Division to submit budget estimates for 1965–66 without increases in personnel even though statistical data would appear to justify continued growth of the staff. In the estimate prepared for fiscal 1964, we were required to project financial and personnel needs for the fiscal years 1965 through 1967. It was estimated that the Division would need 5-percent increases in each of these years or approximately 20 new employees and $200,000 each year to match the anticipated increase in work of 5 percent each year. (Actually, new work increased 25 percent in 1963 and 5 percent in 1964—almost 30 percent in 2 years.) In fact, it has been determined that no increase would be requested and there appears to be a savings of $400,000 in addition to the specific and potential savings enumerated below due to management improvements.

(*a*) Special dockets: The extensive use of special tax dockets (both pretrial and trial in over 18 districts) has saved the Government approximately $5,000 in travel costs.[12] When it is considered that many more trials were conducted in fiscal 1964 (20 percent over 1963) than in any previous year, the indirect savings, although not ascertainable in exact dollars, are considerably in excess of the direct savings. Grouping of cases enables the same number of lawyers to make more court appearances and conserves the time of judges

[12] Special pretrial and/or trial dockets are functioning in the following districts: Alabama (SD), Florida (MD), Illinois (ND), Iowa (ND), Kansas, Mississippi (SD), Nebraska, Pennsylvania (ED), West Virginia (SD), Alabama (ND), Maryland, Michigan (ED), Ohio (SD), Wisconsin (ED), Minnesota, Iowa (SD), New York (SD), and California (ND).

and court personnel.[13] In fiscal 1965, with a large staff of trial attorneys on duty and a further increase in new work, it should be posible to handle even a greater number of trials without increasing travel costs.

(*b*) Closer liaison with the Executive Office for U.S. attorneys has made it possible to save $6,000 in travel to handle cases which are the responsibility of U.S. attorneys. For a variety of reasons, U.S. attorneys are not able to handle a number of insolvencies, collections, and criminal cases. Coordination of tax work with other assignments has resulted in a much greater participation by the U.S. attorneys than in prior pears. This year's savings should at least be duplicated next year.

(*c*) The establishment of a file of expert witnesses in May has already saved $1,000 in travel which would have been necesary to locate and check qualifications of prospective witnesses. The savings will increase as the file is expanded.

(*d*) Mechanical dictation: As previously noted, five legal secretary positions were saved in fiscal 1964 with a savings of $33,600 due to the use of dictating equipment. This is because of the change in ratio of two attorneys to one secretary to three attorneys to one administrative aid. This amount will be repeated in fiscal 1965. In addition, assigned secretaries (who formerly took dictation) have been free to assist attorneys in handling ttheir dockets, e.g., checking citations, assembling exhibits, checking witnesses, preparing (from forms) letters, memorandums, pleadings, etc.

(*e*) Printing costs: The new policy of multilithing pleadings and briefs, which were printed in the past, has accounted for direct savings of $16,000. Only minor direct savings occur by offset printing on both sides of the paper (the cost of paper). However, the reduced size of such material cuts mailing, binding, and storage costs. It is expected that printing costs will be less than was originally estimated for fiscal 1965.

9. Management improvements

(*a*) *Liaison with Internal Revenue Service (internal procedures)*.—Substantial advantages to the Department, the courts, the Revenue Service, and taxpayers are expected from two new procedural agreements entered into between the Tax Division and the Chief Counsel during the 1964 fiscal year. These agreements establish faster time limits and will speed up or eliminate several procedural steps.

Trial and appellate attorneys in the Tax Division have been having increasing difficulty in meeting court deadlines created by local rules recently adopted. Since the filling of new judgeships in 1961 and 1962, the judiciary has concentrated on cleaning up backlogs of cases and gearing itself to the disposition of new cases more quickly than ever before. To this end, the courts have instituted strict calendar controls, adopted detailed requirements as to pretrial procedures, etc. It thus became evident that some changes were required in the procedures which govern the flow of work between the Tax Division and the Revenue Service and within the Department itself. Following studies by the Division, a set of recommendations was prepared and discussions were entered into with representatives of the Chief Counsel. A committee was designated to work out an agreement on the problems and the Division's recommendations. Two agreements were adopted, one covering trial work and the other appellate procedures. The trial changes were designed to facilitate the early preparation of cases; the filing of timely responsive pleadings; the prompt disposition of compromise offers; and early decisions respecting appeals. The appellate changes were designed to assure meeting statutory and court deadlines along the appeal road; including the fixing of new time limits on each office; i.e., the Chief Counsel, the trial and appellate sections of the Tax Division, and the Solicitor General.

Specifically, the Revenue Service agreed to (1) classify suits into three categories according to their importance to the administration of the revenue laws; e.g., prime, standard, and settlement option procedure[14] cases (this will permit the concentration of time and talent on the truly important litigation and expedite the disposition of the less important); (2) to send administrative files to the Tax Division within 40 days of the complaint and maintain duplicate files when practicable (thus permitting the simultaneous consideration in each office

[13] Typical of the several favorable comments by Federal district judges is the following letter from the presiding judge in the Northern District of Illinois (Chicago) written immediately after the first special docket was called: "I should have written you before now to tell you that we are very pleased with the initial run of our pretrial docket on tax cases. Indeed, even the one judge who objected to the procedure, now seems enthusiastic about it. * * * I think it only fair to observe that the success of the pretrials was due in large measure to the excellent representation which you had at the conferences."

[14] A procedure which permits the Tax Division to dispose of cases without reference back to the Revenue Service.

of compromise offers and appeals); (3) enlarge the SOP category of cases which can be settled by the Department without reference back to the Service; (4) submit promptly recommendation on appeal, sending an advance copy of the action recommendation before final approval. The time limits in the Department of Justice (in trial and appellate sections, in the front offices, and in the Solicitor General's Office) were cut sharply and controls installed to assure compliance.

These new procedures, which are only outlined briefly above, should not only assure meeting court deadlines but should (1) save time, effort, and money required to obtain extensions to file pleadings; (2) reduce the number of amended answers; (3) reduce attorney and secretarial time in conducting correspondence, keeping record controls, etc., in a growing percentage of cases which will be classified SOP; (4) cut interest costs to the Government due to the simultaneous processing of offers and appeals; (5) reduce travel costs by permitting better and earlier scheduling of trips to conduct discovery and pretrials (combining cases, concentrating lawyers' time, etc.); and (6) reduce protective docketing of appeals during the time the Government is making its final decision as to appeal.

(*b*) *Fort Worth field office.*—Based upon the substantial record of accomplishment in expediting the handling of refund suits, the operations of the Fort Worth office were continued during this fiscal year and the office was staffed with six attorneys and four clerical personnel. Emphasis in the current year was placed upon insuring closer coordination of the work of the field office with that of the rest of the Division and obtaining more efficient day-to-day control of its operations. Administrative adjustments accomplished during this year contributed substantially to the reaching of these goals. It is anticipated that the operations of this office will continue through the fiscal year ending June 30, 1965, and that further improvements in these directions will be realized.

(*c*) *Pretrial briefs.*—During fiscal 1964 there was established the practice, where possible, of filing an informal brief prior to trial of refund suits. This has proved helpful to the trial attorney as well as the court. It sharpens the analysis of the legal and factual issues to be litigated and results in better trials. Brief instructions have been revised to greater flexibility in the form of trial briefs and to permit the attorney to tailor the brief to the subject matter and the wishes of the individual trial judge.

(*d*) *Closer substantive control of tax litigation.*—A continuing problem in tax litigation is insuring that positions taken by the Government are in its long-term interest. Too often in the past the Government has yielded to the desire to win a specific case without regard to the long-range implications of its position. It is also vitally important that arguments presented in court be consistent with published revenue regulations and rulings.

In order to formalize the control of these matters, the Tax Division instituted a change in the checklists required to be completed by each appellate attorney. Henceforth each attorney will be required to indicate in writing whether the Government's position conflicts with any published ruling or regulation and also that in the opinion of the attorney the Government's position should be defended. It is hoped that this pinpointing of troublesome cases at an early stage will enable us to avoid making arguments which may diminish the respect with which the Government is held by courts and to minimize bad decisions for or against the Government which may come back to haunt us.

The Chief Counsel of Internal Revenue has been aggressively pursuing the same point with his larger and decentralized staff. There have been a number of conferences between our two Departments which have been marked by a new willingness on the part of Revenue to make clear and timely decisions on the course of litigation in light of long-range goals.[15]

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[15] An example of what can be accomplished when attorneys in both offices are alert to difficult areas was the recent handling of an educational expense deduction case. One of the issues involved in *Davis* v. *Commissioner* (C.A. 9th) was whether the taxpayer, a professor of English at Pomona College, was entitled to take a so-called educational expense deduction for research conducted in England in his specialty. The Tax Court disallowed the deduction and the taxpayer appealed. The Tax Division was instrumental in effecting a conference at which representatives of Treasury, Service, Justice, and the teaching profession agreed upon a position on the merits subsequently embodied in Revenue Ruling 63–275, 1963–2 Cum. Bull. 85, which is generally regarded as a significant development in the educational expense area. The ruling recognizes research as an inherent function of the teaching process at the college and university level and permits deduction for research expenses where the research is substantially related to the field of expertise of a given professor. The *Davis* case was remanded to the Tax Court which entered a no-deficiency decision in accordance with the stipulation of the parties.

(c) *Reorganization of General Litigation Section.*—At year's end, and after careful and lengthy consideration, the General Litigation Section was divided into geographic and functional units. This Section, which handles civil collection matters and general litigation, had grown quite large and the volume of work had more than doubled in the last 3 years. In an effort to increase supervision of and liaison with U.S. Attorneys the Section was organized into four units, each handled by an assistant chief or a reviewer. Three of the units handle cases arising in specific geographical areas corresponding to Internal Revenue regions. The fourth is responsible for Federal immunity matters. This reorganization will result in closer relationships with U.S. Attorneys, the courts, and the offices of Internal Revenue within each area. At the same time the assignment of personnel will be sufficiently flexible to permit concentration in particular areas or particular types of cases when necessary.

10. Summary

To summarize, the performance during fiscal 1964 resulted in new highs in closings, work production, success in court, number of criminal convictions and collections from delinquent taxpayers; and, new lows in time intervals to file pleadings, to process settlement offers, and to issue checks to taxpayers who were successful in refund suits. These records were achieved in the face of new highs in receipts and the number of cases handled by the staff of the Tax Division.

B. WORKLOAD DATA—CURRENT AND BUDGET YEARS

1. Pending

At the beginning of the current year with 5,610 cases pending which involved $665.9 million, the average attorney was responsible for 33 cases involving $3.9 million. An estimated 10,880 cases will be received in fiscal 1965 involving $250 million. Thus, each attorney will have the burden of handling an average of 91 active cases involving $5 million.

Approximately 5,327 cases will be pending at the beginning of the budget year or 30 cases per attorney. During the year about 11,424 cases will be received (involving $250 million) with the result that each attorney will be responsible for 92 cases involving about $5 million[36] To reduce the staff with concomitant increase in individual workload would have a dangerously adverse affect upon not only the particular cases in litigation but the general collection activities of the Revenue Service.

2. New tax litigation

(a) *General.*—There is every indication that the increase in the volume of tax litigation will continue for several years. As was noted in last year's justification, the Internal Revenue Service is engaged in a stepped-up enforcement and collection program; the number of insolvencies (which threatens the collectibility of taxes) continue to increase; defense spending goes on; and the population and economy continue to grow. In addition, there is the 1964 Tax Act which will involve new issues to be litigated. Such factors as well as others create tax controversies in the courts, controversies which not only deserve (and require) expeditious and expert handling, but which affect the tax consequences of millions of people and billions of dollars. The means have been provided for the Tax Division to keep pace with the increase in revenue cases over the past decade. There should be no letdown now and the modest increase in funds is essential to the maintenance of the present program.

(b) *Treasury's program of enforcement and collection.*—(1) Increase in workload: In testimony before the subcommittee of the House Appropriations Committee supporting request for funds for 1965, the Commissioner of Internal Revenue reported on the progress of the Revenue Service's program to achieve better compliance.[37] It was reported that 2.2 million more returns were filed in 1964 and that returns would increase about 2 million over each of the next 7 years. The Commissioner noted that increases in returns filed mean additional processing work, additional delinquent accounts to be collected, additional audits, appeals, fraud investigations, civil and criminal court cases, requests for advance rulings,

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[36] This workload is far in excess of that handled by attorneys in private practice who have reportedly worked on only 6 to 10 cases at any one time.

[37] Hearings, Treasury-Post Office Departments and Executive Office Appropriation for 1965 (Treasury and Related Agencies), 88th Cong., 2d sess., pp. 301–377.

and additional taxpayer assistance just to keep even with the growing taxpayer population. Continuing, the Commissioner estimated that there would be 12,000 more field audits and 500 more fraud investigations in each of the years 1965 and 1966.

(2) Taxpayers compliance measurement program: A prorgam was instituted in fiscal 1963 to determine the extent of compliance. This project determines kind, amount, location, and causes of noncompliance. Coupled with the master file which is the heart of ADP, thousands and even millions of new taxpayers will be uncovered. This will likewise lead to controversies, both civil and criminal.

(3) Automatic data processing: As noted at the outset of this justification, ADP is on schedule with all returns due for inclusion by 1966. This system has been and will continue to locate thousands of persons who have not filed returns, will detect millions of errors, will pinpoint thousands of erroneous refunds, and select returns requiring audit. Large numbers of additional audits are being conducted as a result of ADP and the number will grow as more returns are included in the system. Such audits lead to law suits in the courts.

(4) New tax laws: Any new tax law creates confusion and misunderstanding and requires new regulations and rulings and interpretive court decisions. The 1964 tax law is especially complicated and will result in differences of opinion and need for clarification over the next 2 or 3 years.

(c) Miscellaneous: Other sources of work for the Tax Division include Federal immunity problems which continue to increase in volume, and insolvency proceedings such as bankruptcies, receivership, and foreclosures, which continue their upward trend.

In the immunity area, substantial demands on the Division's resources continue to be made because of the need for resolving conflicts between the taxing powers of the States and the Government's immunity from taxation. Among the more important problems are those involving (1) the application of sales and use taxes to Government contractors; (2) the validity of State inheritance taxes on gifts to the United States; (3) the right of the United States to sue in the Federal courts to vindicate the rights of a serviceman under the Soldiers' and Sailors' Civil Relief Act; (4) the validity of a Mississippi tax as applied with respect to house trailers belonging to nonresident servicemen (the Government contends that it violates section 514 of the Soldiers' and Sailors' Civil Relief Act); and, (5) involving attempts to impose ad valorem taxes on Government employees for their use of Government-assigned quarters in which they are required to live.

The number of insolvency proceedings rise further as business activity and population continue to expand. In the usual insolvency proceeding (bankruptcy, foreclosure, etc.), there are unsatisfied tax claims.

The Director of the Administrative Office of U.S. Courts reports[18] another jump in bankruptcies. The trend over the past 12 years follows:

Fiscal year:	*New petitions filed*
1964	171,719
1963	155,493
1962	147,780
1961	146,643
1960	110,034
1959	100,670
1958	91,668
1957	73,761
1956	62,086
1955	59,404
1954	53,136
1953	40,087

Mortgage foreclosures on nonfarm properties are also up as revealed by the following tabulation:

Calendar year:	*Number of foreclosures*
1963	98,195
1962	86,444
1961	73,074
1960	51,353
1959	44,075
1958	42,367
1957	34,204
1956	30,963
1955	28,529
1954	26,211
1953	21,473

[18] Annual report, 1964 fiscal year.

3. Summary

The increase in population with the concomitant increase in the number of tax returns; the expansion of the Internal Revenue Service's enforcement program coupled with the further development of ADP and the institution of the taxpayers' compliance measurement program; the passage of the new tax law; and the increase in insolvency proceedings will all add to the workload of the Tax Division in fiscal years 1965 and 1966. The number of new controversies will increase at least 5 percent each year over the record number of receipts in fiscal 1964. The maintenance of the present staff is imperative to the success of the revenue collection activities of the Federal Government. The ratio of work to legal personnel is revealed on the chart which follows. While work has increased 475 percent over the past 17 years, the number of attorneys has increased only 190 percent.

C. DETAILS OF REQUEST

1. Personal services

Funds are requested to cover the compensation and the cost of personal benefits for 404 employees, 8 less than the number presently authorized. The necessity to absorb more of the pay act costs and the reduction by two-thirds of the amount required for within-grade promotions has reduced the staff.

	Attorneys	Nonlegal	Total
Executive	8	65	73
Appellate	56	26	82
General litigation	44	23	67
Criminal	26	11	37
Court of Claims	20	9	30
Refund Trial No. 1	25	11	37
Refund Trial No. 2	26	13	39
Refund Trial No. 3	12	6	18
Review	16	8	25
Total	232	172	404

(*a*) *Executive.*—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.[19]

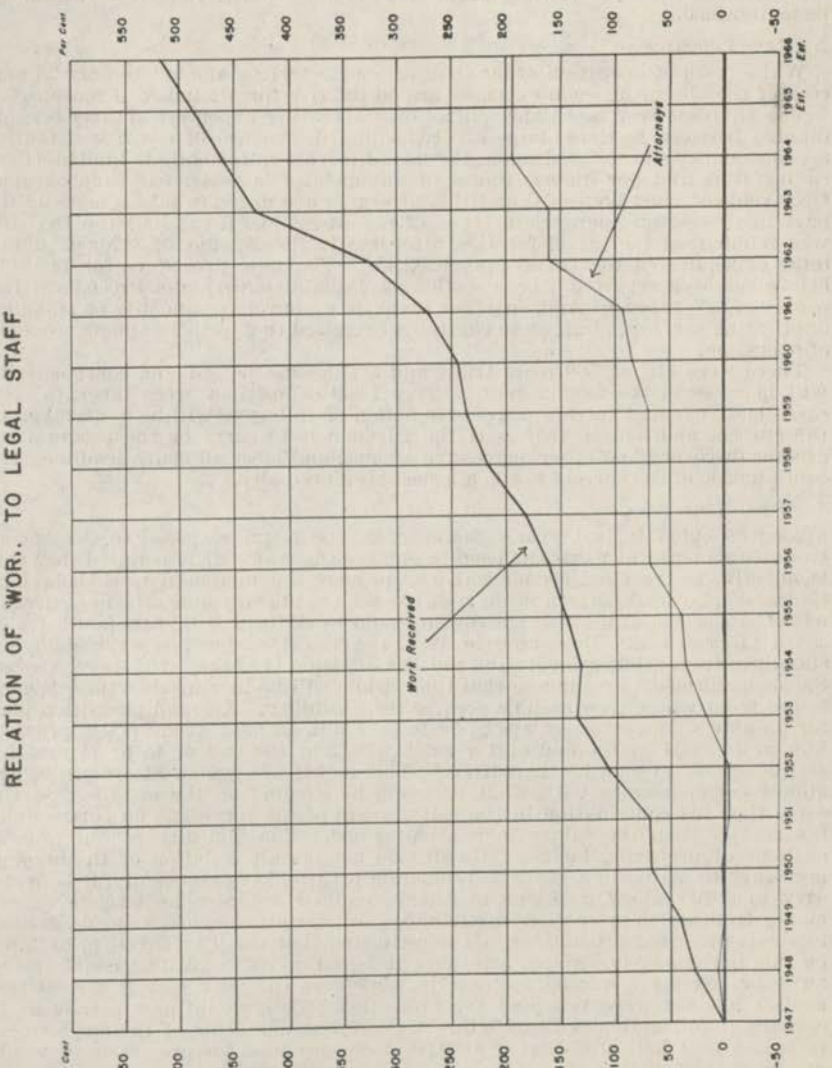
(*b*) *Criminal Section.*—The increased activities of the Tax Division in the organized crime program coupled with the expected increase of regular criminal tax cases in 1965 and 1966 make it necessary to maintain the legal staff of the Section.

(*c*) *General Litigation.*—Civil litigation involving bankruptcy, receivership, and other insolvency proceedings; summons enforcement and injunction cases; regular collection suits against delinquent taxpayers; and Federal immunity matters are increasing substantially. Work of this type increased 7 percent in 1964. The vigorous enforcement program of the Revenue Service means a continuation of the increase in the volume and importance of the use of civil process to collect taxes from delinquent or recalcitrant taxpayers, and to aid Service investigation by summons enforcement.

(*d*) *Refund Trial Sections.*—Refund suits in the district courts and the Court of Claims increased 6 percent in fiscal 1964 and will increase at least 5 percent in each of the fiscal years 1965 and 1966. The suits for the refund of taxes already paid into the Treasury involve directly over one-half a billion dollars; and, over $200 million is in controversy in new cases, making full use of discovery procedures and properly briefing the law.

(*e*) Appellate Section.—Proceedings in the appellate courts equaled those handled in fiscal 1963. The margin of success (72 percent) was one of the highest figures on record. The volume of this work remains high. The staff of the Tax Division prepares more briefs and orally argues more cases than all of the other legal divisions combined.

[19] The remaining 64 employees service the operating units of the Division but are assigned to and directed by the Executive Assistant to insure maximum efficiency in manpower utilization and avoidance of idle time in one section corresponding wth overloads in another due to the continued fluctuations in work volume which inevitably ccur.


RELATION OF WOR.. TO LEGAL STAFF
Per Cent
550
500
450
400
350
300
250
200
150
100
50
0
-50
1947
1948
1949
1950
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961
1962
1963
1964
1965
1966 Est.
Work Received
Attorneys

(*f*) *Review Section.*—The Review Section processed 1,873 offers in compromise in 1964, an increase of 10 percent over the previous year. The Division has again extended its settlement option procedure with Internal Revenue Service 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. Also, we have streamlined procedures which have speeded up the handling of offers. If these expanded programs are to succeed, and if the work on the enlarged number of new cases is to proceed expeditiously, the staff of the Review Section must be maintained.

2. Other expenses

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

The Division exercises tight control over operating expenses. Travel is coordinated between sections, trips are consolidated, the use of coach and tourist accommodations is insisted upon, the use of private automobile is limited (thus saving time and per diem), rental of automobiles is restricted (and cheaper GSA vehicles must be used), and U.S. attorneys are urged to take a more active part in processing appropriate types of tax cases. In fiscal 1964 the Division was reimbursed for travel for U.S. attorneys in the amount of $12,000. Thus, total expenditures for travel was $292,394. The new procedure for printing briefs has been reported. (See section on "Administrative and Procedural Improvements," supra.) And, in other areas (e.g., purchase and use of supplies, duplicating services, etc.), close control is exercised to assure maximum economy of operation.

There were almost 500 more trials and arguments in 1964 and court activity will increase in the next 2 years. Over 1,300 depositions were taken in civil cases last year and further aggressive action of this type will be undertaken in the current and budget years. If the Division is to carry on the programs of greater discovery and other aggressive actions, and meet all court deadlines, the continuation of the current travel allotment is a necessity.

3. Promotions

As was noted in last year's justification, the usual response to the uncontrollable increase in work has been to enlarge the staff. It is believed that this is not always the most economical way to meet the increased workload. The typical employment pattern in the past has been to take a young attorney recently out of law school at a grade GS–9 who would work for 2 or 3 years and leave at a GS–11 or GS–12. Beginning in 1961, the Tax Division has secured understandings from attorneys entering the Tax Division that they will stay 4 years.[21] Such commitments presuppose that their grade will be increased as they develop to the point where they assume greater responsibility. A sound promotion plan for an able young attorney would be to take him in as a grade GS–9, promote him to a GS–11 at the end of 1 year, a GS–12 at the end of 15 or 18 months, and a GS–13, 18 months thereafter.[22] This makes the young attorney's salary almost commensurate with what he could be earning on the outside. At the same time his contribution in the last 2 years of his service is proportionately far greater than the salary increase provided. The difficulty is that present customs of preparing budget estimates do not permit isolation of the amount necessary to maintain a realistic promotion program. Consequently, it is necessary to either allow positions to remain unfilled in order to develop "lapse" money from which promotions are financed, or have attorneys leave us for failure to receive merited promotions. It is estimated that the Tax Division, building on this nucleus of fine young attorneys gathered in 1961 and 1962, could absorb an 8- or 10-percent annual increase in work over the next year if a relatively modest amount were provided for promotion. This would also permit us to operate at full authorized strength. A careful examination of the employment rolls last year indicated that if $100,000 were provided for promotion, it would not be necessary to seek an increase in personnel authorization for the fiscal

[20] On top of the statutory and price increases which have never been provided for specifically are the costs of processing a greater number of cases.

[21] The program has already begun to bear fruit. The turnover rate for attorneys dropped to 10 percent in the 1963 fiscal year and was only 14 percent in fiscal 1964, compared with 20 percent in both 1962 and 1961, and 21 percent in 1960. This fact makes it imperative that funds be made available to cover promotions.

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

years 1965 or 1966. If nothing is done about promotions, the Division will have to revert to one or both of the practices of prior years; i.e., seek additional personnel at far greater cost or leave positions vacant which will have an adverse effect upon the work of the Division.

D. CONCLUSION

The Tax Division has no control over the number or complexities of new cases and must receive and handle the work referred. The volume of such litigation grows each year. If taxpayers are to have their day in court; if the revenue is to be collected and protected; if the criminal provisions of the revenue laws are to be enforced; and if these responsibilities are to be carried out expeditiously and efficiently, the staff and operating funds of the Division should be provided as requested herein.

Tax Division

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	4,628	5,035	5,668	5,474	5,271
Received	7,528	9,506	9,937	10,435	10,964
Terminated	7,121	8,873	10,131	10,638	11,251
Pending end of year	5,035	5,668	5,474	5,271	4,984
Matters:					
Pending beginning of year	76	177	212	136	56
Received	353	305	425	445	460
Terminated	252	270	501	525	500
Pending end of year	177	212	136	56	16

INCREASE REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount of $4,812,500, which would mean a requested increase of $143,300 over the amount of the 1965 fiscal year adjusted appropriation.

The requested increases are set forth on page 12–3. It would appear that of the requested increase of $143,300, $107,500 is in connection with a proposed promotion plan which was also requested last year. Is that correct, Mr. Oberdorfer?

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

Mr. ROONEY. What is correct?

Mr. OBERDORFER. That this request is the same request the committee considered last year and which was discussed in the hearings before this committee on page 70. I believe the date of that hearing was January 30, 1964.

Mr. ROONEY. So?

Mr. OBERDORFER. I reread that discussion, Mr. Chairman, and either directly or by reference I would like to incorporate it here. It states the idea we had in mind, the arguments to support the promotion fund, and relates the discussion here in the committee in which we had the benefit of Mr. Andretta's counsel and testimony to the effect he thought it was a good idea. There was a discussion at that time about the possibility of putting it over from last year to this year, but it is essentially the same thing. The essence of it, Mr. Chairman, as you may recall, is that beginning——

Mr. ROONEY. Mr. Oberdorfer, perhaps the committee last year had in mind the preferment of the Tax Division to other divisions of the Department of Justice insofar as the promotion plan was concerned?

Mr. OBERDORFER. I will be glad to speak to that, Mr. Chairman.

Mr. ROONEY. Please go ahead. As a matter of fact, you had better speak to the almost $5 million budget we have before us.

NEED FOR PROMOTION PLAN

Mr. OBERDORFER. First, if I may address myself to the difference between the needs of the Tax Division and the needs of the other divisions, as I believe the chairman and the committee recall, we were confronted when we first came into the Department with the problem of attorney turnover. The young lawyers who came from law school to the Tax Division were in a showcase. Soon after they came to work for us they were out engaging in litigation in the Federal courts around the country in connection with Federal tax matters. They were well selected, they did a good job in court, and they were very attractive to the bar and they were hired away from us, we think too quickly.

At the time we came in the Department, the average tenure of a young lawyer was 2 years. This was the source of a lot of complaints we had about the handling of our business. The bar and the courts were very impatient with us because we would send one man to start a case and before he had finished it he had left us and somebody else was taking his place.

In addition to the men being therefore inexperienced and the personnel unstable and rotating, we were also dealing with the problems of their being overextended and our not having a sufficient staff.

In 1961 and 1962 we presented these problems to the then Attorney General, to the Bureau of the budget, and to this committee, and we were authorized staff increases to give us the manpower we thought was necessary to do a more lawyerlike job. At the same time, Mr. Chairman, to reduce the turnover, the Tax Division began a practice of asking the young lawyers who accepted employment to commit themselves to stay for 4 years. This is the heart of the matter. Previously, our men would leave us in 2 years, would be hired away from us, unless we had a commitment from them to stay.

We believe this aspect of our employment policy is unique in the Department. We checked again informally this morning, and as we understand it the Tax Division is the only division in the Department which has a formal 4-year commitment arrangement with its employees. Therefore, it is the Tax Division, unlike other divisions, which has the need to recognize the fact that whereas we have been operating for years on the assumption that the young lawyers came for 2 years on an average, they now stay 4 years and the request we made last year and that we renew this year is our effort to recognize the fact we now have more seasoned people who are with us for 4 years, and we think this request, if honored, would recognize and enable us to deal with that situation. Financially we have much less lapse money to cover grade promotions because the turnover rate has dropped 50 percent as a result of our 4-year commitment.

Mr. ROONEY. Do you think a lawyer in the Tax Division works as hard as a lawyer in the Lands Division, Mr. Oberdorfer?

Mr. OBERDORFER. I am not familiar, Mr. Chairman, with the work of the Lands Division. I know the lawyers in the Tax Division work

very hard. They are the only lawyers in the Department, so far as I know, with the possible exception of the Antitrust Division, who have the responsibility on the line for trying their own cases in the courts around the country. I know the lawyers in the Tax Division work as hard or harder than the lawyers with whom I am acquainted in private business that work hard but are better paid.

Mr. ROONEY. Do you want to get away from this subject of your promotion plan and get to your budget?

BUDGET FOR 1966

Mr. OBERDORFER. Our budget, Mr. Chairman, has no change in the number of personnel requested from last year, although our work is up. It has no increase in the request for travel, although our travel authorization for 1965 was less than we requested. We are somehow managing that. The only other change in our budget is our request for part, not all, of the funds we would need to finance the step increases and the additional costs under the 1964 Pay Act. We think we have proved by our performance last year, or at least justified, the staff the committee authorized for us.

Mr. Chairman, if you recall, the year before last we were very much concerned, despite the fact we had more people, that our backlog was going up. It was going up because the new cases we received in 1963 approached the 10,000 mark, and in 1964 exceeded 10,000. We rolled up our sleeves with the more experienced level of our staff and for the first time since 1959 we reduced the backlog.

Mr. ROONEY. Of course you got a substantial increase in lawyers and clerks, did you not?

Mr. OBERDORFER. We did not last year. We leveled off last year and this year.

Mr. ROONEY. Did you level off or did we level you off?

Mr. OBERDORFER. I do not think we made a request for an increase last year, Mr. Chairman.

We collected more money last year. On page 13 of our justifications we account for the fact that in fiscal 1964 we either collected or saved $156 million, compared to $127 million in the preceding fiscal year 1963. We had better results in court. We won 72 percent of our cases. We had more criminal convictions last year than any time in a long time. I have the impression, and I am frank to state it to the committee, that this Division is just improving all the time, and with the personnel we have and the organization we have arranged and the more experienced level, we are earning what the committee has

NUMBER OF CONVICTIONS

Mr. ROONEY. Since you referred to convictions in tax fraud cases, in 1963 you had 597 convictions and in 1964 you had 607. What was the budget of the Tax Division in 1963?

Mr. TADLOCK. Without regard to the pay act increases it was substantially what it is now.

Mr. ROONEY. What was it in 1963? Do you have that, Mr. Brown?

Mr. BROWN. No, sir.

Mr. ROONEY. You will not put us to the trouble of looking up our justifications for that year, will you?

Mr. OBERDORFER. No, sir. We will supply it.

Mr. ROONEY. It might be interesting to know it right now. Do you have the figure for 1964?

Mr. OBERDORFER. Yes; I have that on the green sheet. For 1964 the budget was $4,086,000, and for 1965 it was $4,669,000, in round figures.

Mr. ROONEY. What did you say it was for 1964?

Mr. OBERDORFER. $4,086,000. That was for the same 429 personnel authorized.

Mr. ROONEY. Can you figure out what it was for 1963? You had 10 more convictions as between the 2 years and I am interested in knowing how much it cost us.

Mr. TADLOCK. I have that figure now. It was $3.8 million, 401 personnel. And in 1965 it was $4.7 million, 427 personnel.

Mr. ROONEY. As between 1963 and 1964 you had an increase of approximately a quarter of a million dollars?

Mr. TADLOCK. More than that, Mr. Chairman, about $800,000 or $900,000.

Mr. ROONEY. I am looking at your figures on page 12–13, a list of convictions in 1963 and in 1964, and while I realize this is only a part of the workload of the Division——

Mr. OBERDORFER. It is a very small part.

Mr. ROONEY (continuing). It is the part that the public gets more acquaintance with. As between 1963 and 1964, you had 597 convictions in 1963 and 607 convictions in 1964, an increase of 10. How much was the increase in appropriations?

Mr. TADLOCK. You are correct, Mr. Chairman.

Mr. ROONEY. About a quarter of a million dollars?

Mr. TADLOCK. That is correct, sir.

Mr. OBERDORFER. Far be it for me to differ in any fundamental way——

Mr. ROONEY. That is your privilege, Mr. Oberdorfer, and that is what you are here for.

Mr. OBERDORFER. The number of criminal convictions is not the measure of our work.

Mr. ROONEY. I already said that. I said it is a part of it and it is the part the public is most interested in, is it not?

Mr. OBERDORFER. We think the public could be interested in the lawyer-like conduct of the Tax Division attorneys in court.

Mr. ROONEY. You mean the sartorial presence of your lawyers in the courtroom?

Mr. OBERDORFER. Their preparation and efficiency.

Mr. ROONEY. How many lawyers do you have in the courtroom when you are trying a case?

Mr. OBERDORFER. In the Tax Division?

Mr. ROONEY. Yes.

Mr. OBERDORFER. Seldom more than one.

Mr. ROONEY. You have more than one?

Mr. OBERDORFER. No, sir. We normally have one lawyer.

Mr. ROONEY. How about in the District of Columbia, how many lawyers do you have?

Mr. OBERDORFER. Our lawyers seldom show up in a case in the District of Columbia except in a criminal case.

Mr. ROONEY. I was in the District court one year and they had five lawyers trying a small alien property case. Were you there, Mr. Brown?

Mr. BROWN. I was not there but I have heard that statement before.

Mr. OBERDORFER. Really, Mr. Chairman, I get a morning report every morning of where my lawyers are and the flag goes up if there are more than one in one town at one time. You seldom find any Tax Division lawyer in court here except on a very tough criminal case.

Mr. JONES. In connection with tax lawyers, sometimes he has five cases a day. The point is——

Mr. ROONEY. Maybe you had better not make the point. You have a $5 million appropriation request and you are coasting on the point, a point we might sustain, that this is a pretty good Division of the Department of Justice.

Mr. OBERDORFER. Thank you, Mr. Chairman.

EXPANSION OF PROMOTION PLAN

Mr. ROONEY. If we were to start this promotion plan in this Division, Mr. Brown, speaking for Mr. Andretta, I hope, this would lead to the same sort of plan in other divisions, would it not?

Mr. BROWN. It may well do so.

Mr. ROONEY. Can you make it a little more forceful?

Mr. BROWN. I think some consideration is being given to that right now.

Mr. ROONEY. Did not all the lawyers down there get a pay increase last year and the year before and the year before, every year?

Mr. BROWN. They were included in the regular pay increases for Government employees generally.

Mr. ROONEY. So the proposition we are confronted with is are we going to embark on something that may very well lead to an overall increase for all the lawyers, the thousand lawyers, in the Department of Justice, not only the thousand lawyers in the Department of Justice, but all the U.S. attorneys and their staffs?

Mr. SMITH. They have already had it, have they not?

Mr. ROONEY. They all had it.

Mr. SMITH. The U.S. attorneys had a promotion plan?

Mr. ROONEY. Surely.

Mr. CEDERBERG. That was the original plan, to take in all the departments.

Mr. BROWN. We have never presented an appropriation request for that. It has been under study.

Mr. CEDERBERG. I thought when Attorney General Kennedy came here, he indicated in his testimony that there was this plan.

Mr. BROWN. I do not think there is any secret about this. I think it has been suggested before this committee that this is a worthwhile plan and some consideration is being given to it throughout the Department.

Mr. ROONEY. Mr. Smith?

CRITERIA FOR PROMOTIONS

Mr. SMITH. How would you determine which lawyers get a promotion?

Mr. OBERDORFER. There are two steps in that. The first would be determining which lawyers are eligible for promotion, and they become eligible for further promotion after a period of time. In the case of a lawyer who has been with us a year, a GS–9 is eligible for promotion. A lawyer who has been a GS–11 for a year and a half is eligible for a promotion.

Mr. SMITH. Would they not get a promotion anyway under regular procedure?

Mr. OBERDORFER. The GS–9 would get a promotion unless he was doing something wrong if there were funds available, but beyond that we have a pretty careful evaluation procedure and promotions are not automatic.

Mr. SMITH. What would be the criteria?

Mr. OBERDORFER. For purposes we are talking about——

Mr. ROONEY. Excuse me, but did I understand you to say they were not automatic?

Mr. OBERDORFER. They are not automatic.

Mr. ROONEY. Do you not have within-grade automatic promotions for everyone in your area?

Mr. BROWN. That is the distinction. The within-grade is automatic. These promotions are step-ups in grade.

Mr. ROONEY. That is what you call upgrading?

Mr. BROWN. That is right.

Mr. ROONEY. That is done all the time?

Mr. BROWN. Not on a regular basis. As the result of a special study a position may be upgraded.

Mr. ROONEY. If a man is a good lawyer in the Tax Division and is producing, you find ways to upgrade him, do you not, Mr. Oberdorfer?

Mr. OBERDORFER. We do upgrade lawyers who have experience and who improve themselves. I am willing to call that a promotion.

Mr. ROONEY. Why do you dwell on the word "promotion"? Do you not like the word "upgrading"?

Mr. OBERDORFER. There may be some semantic problem about upgrading that I am not familiar with. A rose by any other name would smell as sweet.

Mr. ROONEY. How do you get around the Whitten rider? Are you familiar with it?

Mr. OBERDORFER. I am familiar with it. I think we comply with it.

Mr. ROONEY. You do not give any two-grade jumps?

Mr. OBERDORFER. No, sir, not in my time.

Mr. ROONEY. I am sorry to remind you.

Mr. OBERDORFER. Our problem is built in to our past experience where men left us at the end of 2 years so that there was a lapse at that point at Grade 11 or Grade 12 so that our budget was tailored to the fact we would only pay the men for 2 years and only pay them for 2 years' experience. Now, as a result of the commitment they stay 4 years, and at the end of the third year they are more valuable to us than at the end of the second year.

Mr. SMITH. Are you saying they all receive it?

Mr. OBERDORFER. Everybody is eligible for it.

Mr. SMITH. What will determine the ones who will not receive it?

Mr. OBERDORFER. We have a youngster now, I do not want to name names, but we have people who have demonstrated after we have hired them that they are not eligible or not capable to do more than we hired them for.

Mr. SMITH. What ability?

Mr. OBERDORFER. Ability to write, to understand, to be efficient in the handling of their desk and paperwork, their manner in court.

Mr. SMITH. Who makes that determination?

Mr. OBERDORFER. That is made by the section chief, his immediate supervisor, and submitted to us periodically. We get a report when a man has been with us 6 months from his section chief as to whether he is measuring up.

Mr. SMITH. Will it be based upon dollar receipts or criminal convictions, whether the person was guilty or not?

Mr. OBERDORFER. Quite the contrary, Congressman. Really, I cannot insist enough that we have tried, and I think succeeded, in creating an atmosphere of a lawyer like approach to our problems. If you will check with the bar I think you will find we have established a good reputation in this regard. We turn down a lot of recommendations we receive from the Internal Revenue for criminal prosecution. I think it is in the neighborhood of 12 or 15 percent. And on the civil side where our lawyers are defending tax refund suits or presenting collection actions or appearing in the appellate courts, I do not want to appear self-serving, but the traditional reputation of the Tax Division is that these lawyers do not claim what they are not entitled to; they treat their brother lawyers with respect, and are willing to compromise. We compromise half our cases.

Mr. SMITH. You were not involved in the practice a few years ago of making promotions on the basis of dollars collected and so forth?

Mr. OBERDORFER. Absolutely not. I do not think it was even charged to us.

Mr. SMITH. That was the Bureau of Internal Revenue?

Mr. OBERDORFER. I am not in a position to affirm or deny the truth of them, but the stories or even rumors related to some department other than ours.

Mr. ROONEY. Mr. Flynt?

FOUR-YEAR COMMITMENTS FROM NEW LAWYERS

Mr. FLYNT. Mr. Oberdorfer, I am very much interested in your program of getting 4-year commitments from entering lawyers. What responses are you receiving?

Mr. OBERDORFER. If I am not mistaken, we have had one lawyer who has departed under questionable circumstances. We have had two or three where in the early stages of this we were perhaps a little ambiguous in stating the commitment and the fellow did not understand if we said 3 or 4 years, but in the recent past it has been honored. I have been to the leading law firms and told them about it and asked them to honor it and not make offers until people have been with us 4 years.

Mr. FLYNT. Do they operate in good faith in this connection?

Mr. OBERDORFER. Yes, sir.

Mr. FLYNT. What is the general source of new young lawyers in your Division? Do you try to go out for them or do you rely largely on voluntary applications to you?

Mr. OBERDORFER. The largest volume come to us from the Department of Justice's honor program, which is a recruiting program. by the late Attorney General Jim McGranery. When was that?

Mr. ROONEY. That has been in existence since it was first thought up by the late Attorney General Jim McGranery. When was that?

Mr. OBERDORFER. A long time ago.

Mr. ROONEY. Long before Mr. Brownell, who sought to take credit for it.

Mr. OBERDORFER. I was not around at that time.

Mr. TADLOCK. 1951, the year before Mr. Brownell came in.

Mr. ROONEY. Excuse me, Mr. Flynt. I remember that so well.

(Discussion off the record.)

Mr. FLYNT. Thank you, Mr. Chairman.

Mr. Oberdorfer, do you think you are getting the extremely well qualified young lawyers under the 4-year commitment request that you did under the 2-year?

Mr. OBERDORFER. I think so.

Mr. FLYNT. In other words, the number you would lose because of the 2-year differential is negligible?

Mr. OBERDORFER. In my opinion, yes.

Mr. FLYNT. And the value of a young man in his fourth year with you is almost in geometrical proportion to his value the first year?

Mr. OBERDORFER. We think so, Mr. Flynt.

Mr. FLYNT. I will close with the remark I am very much interested in your plan to request the 4-year commitment and I am glad that it is working out to your satisfaction.

Mr. OBERDORFER. Yes. I refer you to the testimony given last year.

Mr. FLYNT. I have read it.

Mr. ROONEY. Mr. Bow?

INCREASE IN APPROPRIATIONS

Mr. Bow. I notice in these charts on the Tax Division you go back to 1947.

Mr. OBERDORFER. This is last year's hearing?

Mr. Bow. Yes, from last year's hearings and I think some of the charts you have now go back to 1947?

Mr. OBERDORFER. Yes.

Mr. Bow. What was the appropriation for the Tax Division in 1947?

Mr. OBERDORFER. I am not in a position to respond to that. I will be glad to supply that figure.

Mr. Bow. I hand you the hearings of the committee for 1947.

Mr. OBERDORFER. It appears to be $835,000.

Mr. Bow. Was it not $730,000?

Mr. OBERDORFER. 1947 is $730,000.

Mr. Bow. $730,000 in 1947 and you are asking approximately $5 million today?

Mr. OBERDORFER. That is correct.

Mr. Bow. Mr. Brown, I wish you would prepare a chart such as these, taking each year you have in here in the caseloads and your returns and so forth, showing the increase in appropriations along with the increase in your workload?

Mr. BROWN. Yes, sir.

(The information follows:)

Comparison of appropriations and workload

Fiscal year	Appropriation [1]	Cases received	Fiscal year	Appropriation [1]	Cases received
1947	$0.809	1,856	1956	$1.7	4,827
1948	.805	2,348	1957	1.7	5,225
1949	1.0	2,603	1958	2.0	5,811
1950	1.0	3,091	1959	2.3	6,227
1951	1.1	3,130	1960	2.4	6,469
1952	1.1	3,836	1961	2.7	6,885
1953	1.3	4,360	1962	3.4	7,881
1954	1.5	4,314	1963	3.7	9,811
1955	1.5	4,544	1964	[2] 4.1	[2] 10,362

[1] Shown in millions of dollars.
[2] Appropriation increased 412 percent in 18 years.

AMOUNT RECOVERED IN CASES

Mr. Bow. I find in the hearings of 1947 another interesting chart I wish you would prepare, on page 66 of the hearings, amount saved and put in the Treasury by the Tax Division in civil cases, average return for every dollar spent for personnel in cases won by the Government. Do you have that figure?

Mr. TADLOCK. Yes, sir; for the current year.

Mr. Bow. What is that?

Mr. TADLOCK. $38.20.

Mr. Bow. What was your total recovered?

Mr. TADLOCK. $156.8 million.

Mr. Bow. And how many employees do you have in the Tax Division?

Mr. TADLOCK. 401.

Mr. Bow. How many lawyers?

Mr. TADLOCK. 218.

Mr. Bow. I believe that is all, Mr. Chairman.

DECREASE IN WORKLOAD IN 1964

Mr. ROONEY. I notice that in this comparison we made awhile ago between 1963 and 1964 where there was an increase of approximately a quarter of a million dollars in 1964 over 1963, that the number of briefs prepared in 1964 fell off as compared to 1963, and the number of legal memos and pretrials prepared fell off in those years. Is that correct? I am looking at page 12–10 of these justifications.

Mr. TADLOCK. That is correct, Mr. Chairman.

Mr. ROONEY. If there are no further questions, thank you, Mr. Oberdorfer.

Mr. OBERDORFER. Thank you, Mr. Chairman. I appreciated the opportunity to appear here.

Office of Solicitor General

WITNESS

ARCHIBALD COX, SOLICITOR GENERAL

Mr. Rooney. Gentlemen, we shall now revert to the first item under "Salaries and expenses, general legal activities" which we deferred pending the arrival of the Solicitor General, Mr. Cox.

The details on this are to be found under tab 11 of the justifications book.

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

(The pages follow:)

Office of the Solicitor General

Appropriation, 1965	$541,000
Proposed pay act supplemental	28,200
Appropriation adjusted, 1965	569,200
Estimate, 1966	587,800
Increase	18,600

AMOUNT REQUESTED

It is estimated that an appropriation of $587,800 will be needed to cover the operating expenses of this Office in fiscal year 1966. The increase of $18,600 is required to comply with statutory provisions regulating the compensation and benefits of employees and to cover the salaries and related costs of one additional attorney to help with the increasing workload.

The items of increase are as follows:

Costs due to statutory provisions:			
Additional cost in 1966 of 1964 Pay Act		$300	
Step increases due in fiscal year 1966		1,800	
Personnel benefits related to above		200	
			$2,300
Additional staff:			
Salary, 1 GS–15 attorney	$16,460		
Lapse 2 months	2,685		
		13,775	
Related personnel benefits		1,000	
Total		14,775	
Rent (10 months)		800	
Communications (10 months)		200	
Other services (10 months)		100	
Supplies		50	
Equipment		375	
			16,300
Total increase			18,600

GENERAL STATEMENT

This is the Government's foremost legal office. Its work must be handled promptly, and with the utmost skill and care. Traditionally, the Office has operated as a small, select group of highly qualified attorneys and legal assistants and so far as possible it is planned to continue it on that basis. Its authorized strength today is 27 (12 lawyers and 15 nonprofessional) which, rather remarkably, is the same number employed a decade ago. The workload, however, has been increasing year by year and has reached the point when additional staff must be secured if the high quality of work demanded is to be maintained.

Compared to the figures for 1953, the number of appellate and certiorari determinations made by this Office has increased approximately 20 percent. In the last fiscal year, it considered 1,181 recommendations as to appeal, 385 as to certiorari, and 285 miscellaneous recommendations—a total of 1,851; the comparable total for 1953 was 1,531.

In 1953, the Supreme Court disposed of 480 cases in which the Government participated; the comparable figure last year was 767.

The most significant cases, from the standpoint of the demands upon the staff, are, of course, those which the Court hears on the merits; i.e., the cases which must be fully briefed and argued. In 1953, the United States participated in 69 cases on the merits; in the last term of Court the number was about 90. When it is considered that the briefing and argument of one of these cases may take several weeks of a lawyer's time and that the existing staff is already working long hours of overtime, it is plain that there is cause for concern. The additional staff requested is necessary to maintain the present high standards of this Office.

It is recommended that the new position be authorized in grade GS–15 since the new attorney must be highly qualified—a lawyer equipped to review the work of the various appellate sections of the Department and of the independent agencies and one fully capable of representing the Government in the Supreme Court. The total first year (10 months) cost for this position is estimated to be $16,300.

In addition, increased funds are necessary to pay statutory salary increments and related personal benefits.

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
CASES					
Pending beginning of year	142	135	[1] 142	142	147
Received	708	[1] 735	767	792	802
Terminated	715	728	767	787	795
Pending end of year	135	[1] 142	142	147	154
OTHER ACTIVITIES					
Appellate determinations made by the Solicitor General's Office	952	1,259	1,181	1,206	1,231
Certiorari determinations made by the Solicitor General's Office	400	444	385	395	405
Miscellaneous recommendations passed on in the Solicitor Genral's Office	173	150	285	290	295

[1] Amended figures due to 5 cases being inadvertently omitted from 1963 report.

INCREASE REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount $587,800, which would mean a requested increase of $18,600 over the amount of the fiscal 1965 year adjusted appropriation.

The increases are set forth on page 11–2, from which it would appear that $2,300 of this amount is the result of statutory provisions, while $16,300 would have to do with an additional GS–15 attorney and all that goes with him.

What about this, Mr. Cox?

Mr. Cox. First may I say that I am sorry for any inconvenience due to my other engagement, but I did have a case up that took the full day.

Mr. ROONEY. Which case is that?

Mr. Cox. *Zemel* v. *Rusk*. This is an attempt to challenge the legality and constitutionality of Secretary Rusk's refusal to issue a passport to Cuba to someone who said he wanted to go there to satisfy his curiosity. We had both jurisdictional and constitutional questions involved. It did not go too badly But I find I persuade myself of these things much better than I persuade anybody else.

(Discussion off the record.)

NEED FOR ADDITIONAL LAWYER

Mr. ROONEY. Tell us about this requested GS–15 lawyer while we are looking at your workload.

Mr. Cox. The request is not the result of any dramatic increase in our workload over last year or the year before. It really is the result of the accumulation of rather small increases over the past 10 years which, together, amount to 20 or 25 percent of an increase in the work of the office, if not more, when you distinguish qualitatively.

Mr. ROONEY. Can you tell us how long it is since the Office of the Solicitor General has had an addition in personnel?

Mr. Cox. It is certainly more than 15 years. How many more than that, I could not tell you; I mean, in terms of the number of lawyers, Mr. Chairman; there may have been an additional secretary-clerk but in terms of number of lawyers.

Mr. ROONEY. I doubt if they have asked for any increase over all those years. This was always one respected tight operation in the Department of Justice?

Mr. Cox. In general that has been true but the fact is that the work has crept up year over year. When you compare the figures for recent years, including the last fiscal year, over 1953, as set out on page 11–3, the number of appeals and certiorari recommendations has gone up 20 percent.

That would include both oppositions to certiorari as well as cases on the merits. The former have gone up from 480 to 767, which is 287 cases.

In the cases on the merits, which are the heart of our work, they have gone up from around 69 or 70, so that now it runs about 89 or 90. Those are the cases that take full briefs and oral argument. I do not know any way to put it more honestly and effectively, but this work will be done if we do not get the other lawyers. It was done last year and the year before as best we could, but I think we could do a lot better with a little less grief if we had one additional position.

If we are going to have an additional position, it has to be on the level of GS–15. A younger man really would not be of any value because these men are reviewing the work of the senior attorneys and appellate sections of the other divisions and agencies, such as the Labor Board and the Federal Power Commission.

That is the story, Mr. Chairman.

I feel quite strongly about it, but I do not want to overstate it. We will do the work. We did it last year and we will do it again. There is a lot of night and weekend work at the present time and I just came to the conclusion this year that, taking it cumulatively, we were

entitled to put it up to you gentlemen and say, at least, that we thought the Government would be better represented if we could have one more lawyer.

I do think the chairman is quite right that if you went back to 1938–39, when Justice Reed was Solicitor General, you would find probably there was only one less lawyer than there is today. There have been very few additions to the Office over a period of time.

I would not expect anybody to come in and ask you for another one for——

Mr. ROONEY. Fifteen years?

Mr. COX. Ten to fifteen years.

Mr. ROONEY. You have nominated yourself to be the fall guy in breaking the record of the past 15 years?

Mr. COX. That is correct. I think it is needed.

Mr. ROONEY. A sensible presentation.

Mr. CEDERBERG. So sensible I am about inclined to go along.

Mr. ROONEY. So am I. Thank you.

Mr. COX. Thank you, Mr. Chairman.

CRIMINAL DIVISION

MONDAY, MARCH 1, 1965.

WITNESSES

H. J. MILLER, ASSISTANT ATTORNEY GENERAL
JAMES MUSKETT, ADMINISTRATIVE ASSISTANT

Mr. ROONEY. The next subitem, gentlemen, under this heading is entitled "Criminal Division" and is to be found under tab 13 of the justification book.

We shall at this point insert the record pages 13–1 through 13–71.

(The pages follow:)

Criminal Division

Appropriation, 1965	$3,325,000
Proposed pay act supplemental	161,400
Appropriation adjusted, 1965	3,486,400
Estimate, 1966	3,491,600
Increase	5,200

CRIMINAL DIVISION

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.

Amount requested

The Criminal Division estimates that it will need an appropriation of $3,491,600, to continue its operations during fiscal year 1966 on the accelerated plan of recent years. The increase of $5,200 is needed to comply with statutory

provisions relating to compensation and benefits of existing personnel as set forth below:

Cost of statutory provisions:

Additional costs in 1966 under 1964 pay act (3 days)	$1,800
Within-grade step increases	17,200
Personnel benefits related to above	2,200
Limitation on number of positions GS–14 and above	−16,000
Total	5,200

General statement

The Division's determined drive against organized crime and racketeering continues unabated. The offices of the U.S. attorneys are now fully indoctrinated in the problems of law enforcement relating to the organized criminal element and, accordingly, section attorneys have been engaged during the past year primarily in the task of supervision and guidance and in augmenting the staff of U.S. attorneys' offices in certain areas where the regular complement of the office was already overburdened and could not assume the added caseload imposed on them by the racketeering cases. Our utilization of immunity statutes which has proved so effective in the past has been stepped up significantly in the past year and a half resulting in the obtaining of much valuable testimony particularly in gambling cases. For example, in grand jury investigation of the Luchese family in New York City two well-known members of that organization who have been engaged in narcotics traffic have been sentenced to prison terms after refusal to testify after having been given immunity.

Significant steps have been taken further to identify and ascertain the importance of the various individuals named by informants furnishing information on the Cosa Nostra. An extensive audit program has been undertaken by the Internal Revenue Service directed against the members of the Cosa Nostra to ascertain whether these individuals have fulfilled their Federal tax obligation. Several potential criminal cases have been found as a result of this program. In this respect it is interesting to note that the Commissioner of the Internal Revenue Service has stated that "in terms of relative costs of the O.C.D. and regular fraud program, the total O.C.D. revenue gain since February 1961 is quite close to that realized through our regular fraud program. Of most significance, in fiscal year 1964 (through April 30), the proportionate revenue yield as represented by deficiencies and penalties asserted through O.C.D. has exceeded the relative yield through our regular fraud investigations."

The number of indictments and convictions during the past year has reached an alltime high. During fiscal year 1964, 354 indictments were returned involving 683 individual defendants as compared to 178 indictments involving 436 individual defendants in fiscal year 1963. Similarly, 325 conviction verdicts involving 619 individual defendants were reported in fiscal year 1964 as compared to 159 convictions involving 350 individual defendants in fiscal year 1963. These indictments and convictions are important not only because of their increased number but also because they reflect other types of prosecutive activity to which the Division has been directing its efforts and which is beginning to bear fruit. For example, the organized crime and racketeering section has concentrated on bankruptcy fraud matters as they involve racketeers and, in the northern district of Illinois, we have begun to return indictments in this area. Our narcotics indictments and convictions reflect our efforts to curb the international traffic in narcotics. The efforts to tamper with the jury system were successfully combated in a series of prosecutions in Tennessee which arose out of the first trial of James R. Hoffa in Nashville. As a result, Hoffa and three others have been convicted in Chattanooga and three other defendants charged with jury tampering arising out of the same case, Medlin, Bell, and Osborn, have been convicted following separate trials in Nashville.

The activities of attorneys of the Criminal Division are also demonstrated in the statistics compiled by individual attorneys which reflect that during the past fiscal year Division attorneys spent 8,967 days in the field, 1,673 days in court and 936 days before grand juries. The increase in the number of days in court reflects, we believe, increasing effectiveness of the drive against organized crime.

The bulk of the workload in combating organized crime and racketeering is concentrated in the Organized Crime and Racketeering Section, with other sections of the Division also contributing to this program. The Administrative Regulations Section, for example, has handled all of the deportation, denaturalization, and extradition work. The Fraud Section has lent its expertise to securities and bankruptcy fraud cases, and the General Crimes Section has participated in perjury, obstruction of justice, and bribery cases. The Appeals and Research Section has handled all of the appeals from these cases at the Supreme Court level and in the organized crime field has also handled the most important racketeering cases in the circuit courts of appeal. This Section has also reviewed indictments and has supported research activities in aid of organized crime matters.

REORGANIZATION OF THE DIVISION

The Criminal Division is continuously striving to improve in its utilization of manpower as well as promoting more efficient management and business administration. As a result, shortly after the close of fiscal year 1964 two organizational changes were taken. First, the trial staff was abolished and the attorneys assigned to the trial staff were reassigned to enforcement sections, or named as staff assistants, as appropriate. This action will permit us to utilize more effectively our more capable and experienced trial attorneys in the enforcement sections as well as permitting their continued availability for trial assignments, as required. Secondly, the Federal Election and Lobbying Act unit was established in the Fraud Section. This latter action resulted from the reassignment of the responsibility for the enforcement of the criminal statutes dealing with illegal election practices and political activity from the Civil Rights Division to the Criminal Division. While the full impact of the new activities on the Division workload is still unknown, Department experience dictates that in election years, especially years of general elections, the matters referred are considerable. It is our intent, however, to absorb the new activities into the Division without requesting an increase in the authorized strength.

REVISION OF DIVISION STATISTICS

The staff of the Criminal Division is primarily responsible for the supervision of the criminal cases and matters in the offices of the U.S. attorneys and for providing as much guidance as possible to the U.S. attorneys and their assistants. During fiscal year 1964 the U.S. attorneys and their assistants handled over 33,000 criminal cases and 120,000 criminal matters. Also, several thousand civil cases and matters involving actions such as injunctions, civil penalties, contempt and forfeitures fall within the area of responsibility of this Division. In addition to this general supervisory responsibility, Divison attorneys are called upon to fulfill specfic requests for assistance. For the most part, these requests provide the basis for the measurement of our workload and productivity.

Effective July 1, 1963, the Criminal Division initiated a change in the statistical reporting system which attempts to record Division workload. The change resulted from a Division survey designed to produce more meaningful statistics to reflect the utilization of manpower. Also desired was a system that could eventually be merged into the U.S. attorney statistical system, maintained by the Department's statistical unit, thus improving and correlating manpower utilization.

As a result of this revision, Division workload falls into categories similar to those used by the U.S. attorneys, that is cases and matters. Statistically, however, the Division attorney handling a case or matter would only report it as such when a substantial professional service was rendered, as contrasted to general supervision. The following actions, among others, performed by Division attorneys are considered as being substantial professional services in either cases or matters at appropriate: (1) analysis, prosecution recommended or declined; (2) appellate briefs prepared and reviewed; (3) appeal participation; (4) dismissals; (5) drawing or reviewing indictments; (6) district court briefs prepared or reviewed; (7) grand jury preparation or participation; (8) forfeitures; (9) petition for remission; (10) research; (11) trial preparation or participation; (12) compromises; and (13) memorandums to the Solicitor General recommending for or against appeal or certiorari.

Another result of this revision is that a case or matter is now closed in the Division when the U.S. attorney for whom we performed the function or service, closes his case or matter, rather than when we completed a specific request.

This change resulted in a marked decrease in cases in those sections where long and complicated cases, such as fraud and immigration and naturalization require many actions spread over several years. Another effect of this revision was an increase in the number of cases pending.

DETAILED EXPLANATION OF ESTIMATE BY ACTIVITY

The Criminal Division is organized into five principal sections, as follows: the Organized Crime and Racketeering Section, the Administrative Regulations Section, the Appeals and Research Section, the Fraud Section and the General Crimes Section. In addition there is the necessary executive and administrative personnel to supervise and service the Division.

The workload of each section during fiscal year 1964 is presented statistically and briefly described in the pages which follow:

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 attorneys in the Section are given fixed responsibility for certain criminal operations or individuals of interest to the Section. They 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 antigambling statutes enacted by the Congress in 1961. As of January 1, 1965, the Section had 50 attorneys assigned the performance of these duties. In the key areas of New York, Chicago, Miami, and Los Angeles, a permanent units have been maintained in the U.S. attorneys' offices to lead antiracketeering efforts in those cities. The salaries and expenses of the staffs in the New York and Los Angeles offices are paid from the funds appropriated to maintain the U.S. attorneys' offices; whereas, the personnel of the Chicago and Miami staffs are paid from the funds appropriated to the Criminal Division.

As indicated above, most of the attorneys in the Section are engaged in the evaluation of evidence developed by the principal Federal investigative agencies pertaining to leading racketeers. In these assignments Section attorneys analyze reports from the participating investigative agencies, suggesting further investigation where allegations indicate a possible Federal violation, and conduct grand jury proceedings where appropriate. Under this program the attorneys are in the field at frequent intervals to enable them to become closely familiar with the racketeering situation under investigation and to establish and maintain close liaison with the senior officer of each Federal investigative agency working in close collaboration with the responsible U.S. attorney. During the past fiscal year, attorneys assigned to these special investigations have spent 6,699 days in the field, 677 days before grand juries, and 1,364 days in court.

Three of the most significant laws aimed at gambling were signed by the President on September 13, 1961. They are 18 U.S.C. 1084, dealing with the transmission of wagering information; 18 U.S.C. 1952, involving travel in aid of racketeering enterprises; and 18 U.S.C. 1953, which is concerned with the transportation of wagering paraphernalia. As of the close of fiscal year 1963, approximately 9,000 investigations had been started under these new laws. The Federal Bureau of Investigation advises that, as of the close of fiscal year 1964, approximately 15,600 investigations have been undertaken for violations of these three statutes.

The utility of the 1961 antigambling laws is being demonstrated not only by increased prosecutive action, but also by numerous intelligence reports showing that large interstate gambling operations are either shutting down or becoming intrastate and relatively minor in scope and profit. For example, during September 1963, the Colonial Club, the major casino then operating in White Sulphur Springs, was closed as a result of a search made by the FBI and simultaneous indictment of the owner, William A. Gerhart, and four of his employees. Indicted at the same time was James Russell Hawthorne, owner of the 19th

Hole Casino, White Sulphur Springs, which had closed down voluntarily shortly prior to the date of indictment. During the summer of 1963 the Department received word that a casino known as the Red Dog was operating near Chester in Hancock County, W. Va. In January 1964 this Department sent letters to the owner and various managerial employees of this operation warning them that continued operation could result in their prosecution for violation of Federal statutes. Approximately 4 days thereafter the casino moved out all of its gambling equipment and ceased operation.

At the same time prosecutive activity under these statutes increased from 50 indictments involving 192 defendants on June 30, 1963, to 110 indictments involving 326 defendants as of June 30, 1964. Convictions have increased from 28 involving 75 defendants a year ago to 53 convictions involving 141 defendants as of the close of fiscal year 1964. Ten cases have been appealed of which eight have been won by the Government. Three of the appeals have been particularly significant since they have upheld the constitutionality of sections 1952 and 1084(d). Section 1952 withstood varied challenges before the Courts of Appeal for the Eighth and Ninth Circuits in the *Bass and Turf Center* cases. The constitutionality of section 1084(d), which provides civil rather than criminal action to remove communications facilities used in gambling, was sustained by the U.S. Supreme Court in the *Telephone News* case. In that case, *Telephone News System* v. *Illinois Bell Telephone Company, et al.*, the Supreme Court upheld the action of the three-judge court in the northern district of Illinois in refusing to enjoin the removal of telephone facilities which were used to disseminate case results and betting information. The system at one time supplied information to over 60,000 callers a day. In June 1964, this service, an adjunct of the Chicago scratch-sheet publication, Illinois Sports News, was terminated by the removal of the 70 trunkline automatic-answering service.

While the Criminal Division has delegated more authority under these new statutes to U.S. attorneys, it continues to oversee prosecutions thereunder and to provide assistance by drafting indictments, preparing prosecutive opinion, answers to motions, and briefs. In addition, the Section now supervises prosecutions under 18 U.S.C. 224, which became effective on June 6, 1964. This statute makes it a Federal offense to influence a sporting contest by means of a bribery scheme in commerce.

Convictions under the 1961 statutes during the past fiscal year included these representative cases: James G. Synodinos, better known as "Jimmy the Greek" Snyder, a national sports handicapping figure, and two associates, were convicted on December 20, 1963, for violating 18 U.S.C. 371 and 1084, and 47 U.S.C. 501. They had accepted bets placed telephonically from Utah to their Nevada-licensed bookmaking establishment in Las Vegas. Snyder and one defendant received $10,000 fines, the third, a $1,000 fine. All defendants were placed on 5 years' probation. Ira Jennings and seven other Myrtle Beach, S.C., casino operators and/or top employees pleaded guilty to violating 18 U.S.C. 1952. The casinos were run in open violation of South Carolina law, and were susceptible to prosecution under section 1952 as interstate facilities were used to clear checks accepted for gambling losses. Likewise, political corruption and gambling in Reading, Pa., were successfully assailed in two cases. In one, John C. Kubacki, mayor of Reading, and Abraham Minker, rackets boss of the city, were found guilty on April 17, 1964, of violation of 18 U.S.C. 1952 on an indictment returned on July 8, 1963. The indictment involved charges relating to extortion payments from two parking meter firms seeking to sell meters to the city of Reading. The other case resulted when on January 20, 1962, some 50 Federal agents raided a large dice game being conducted in Reading. George Barrow, the game's supervisor and 14 other defendants were indicted for violations of 18 U.S.C. 1952, 371 and 372—using instrumentalities of interstate commerce to facilitate the conducting of a gambling business illegal under Pennsylvania statutes; conspiring with others to do the same; and aiding and abetting. Many of the defendants had traveled regularly from New Jersey to Reading to facilitate the gambling operation.

On October 8, 1963, 12 defendants were convicted by a jury on 22 counts of the indictment; 2 were acquitted and another had been severed. On April 29, 1964, new trials were granted to four defendants, including Barrow, on a series of substantive counts because of errors in the instructions of the trial judge. Marshal Caifano, also known as John Marshal, important Chicago racketeer alleged to be involved with other Chicago hoodlums in a multi-million-dollar

insurance fraud scheme, and Charles Tourine, Jr., were convicted on February 7, 1964, on an indictment returned in the southern district of California charging interstate travel in aid of extortion. On March 31, 1964, Caifano was sentenced to 10 years' and Tourine to 5 years' imprisonment. Frank Nick Zizzo, also known as Frank Cease, notorious racketeer and bookie, and three other defendants were convicted in the southern district of Indiana on July 9, 1963, in an indictment charging violation of 18 U.S.C. 1952 and conspiracy. Zizzo was fined $10,000 and sentenced to serve 6 months in prison and 18 months' probation thereafter.

The Organized Crime and Racketeering Section has continued to maintain close collaboration with the Internal Revenue Service and, as a result, the indictments and convictions for violation of the various sections of the Internal Revenue Code applying to taxes on wagering represent a large segment of the Section's activity. These portions of the Internal Revenue Code impose taxes on wagering and provide penalties for attempts to evade or defeat such taxes, for willful failure to pay the taxes or to file returns and supply information, and for fraudulent and false statements in connection with tax returns. The following summaries reflect some of the activity in this area. In the western district of Pennsylvania, between January 14 and June 5, 1964, 73 persons were convicted in separate trials for violations of the wagering tax laws.

Included among the convictions were the reputed king of the Allegheny County numbers racket, Anthony Grosso, his brother, Samuel Grosso, the latter's wife, Jenny, and his brother-in-law, Joseph Pino. Anthoy Grosso was sentenced to serve 9 years and fined $191,000. During the same period in the western district of Pennsylvania, 25 indictments and informations were filed for wagering tax violations as a result of raids conducted by the Internal Revenue Service operating in collaboration with Section personnel. Meyer "Nutsy" Schwartz, one of those indicted, operated a $21,000 a day numbers operation. On January 24, 1964, Issac "Tuffy" Mitchell, Indianapolis numbers racket operator, entered a plea of guilty to each of six counts charging him with willful attempts to evade and defeat wagering excise taxes and subscribing false excise tax returns. He was sentenced to 5 years and a fine of $10,000.

Similar activity against the gambling element took place in Rhode Island. Between August 19 and October 29, 1963, 22 informations were filed for wagering tax violations and 14 additional informations were filed in December and January. Eight Rhode Island gamblers were indicted in March 1964. The district of Maryland reflected similar activity against gamblers. In November 1963 Benjamin Trotta, one of the principal figures in organized crime in Maryland, was convicted in Baltimore on an excise tax violation and in May and June 1964 nine convictions were returned for failure to pay the wagering tax. On December 23, 1963, Trotta was sentenced to 2 years and a $11,000 fine. Codefendants, Anthony Magliano and Vincent DeSantis, were each sentenced to 2 years. Louis Comi, longtime Baltimore numbers racket figure, was indicted on July 16, 1963, and convicted October 9, 1963.

In the northern district of Ohio, Anthony J. Besase and 21 other defendants were indicted after a raid on a courthouse on February 25, 1964. George Besase, John Besase, Sam Besase, Ted Maison, Angelo Perna, and Sam Rappaport, were indicted on four counts of wagering excise tax evasion for the months of July through October 1963 on combined gross wagers of $290,000. Also Jimmy Johnson, a part of the Besase numbers operations, which at one time employed a base of 500 writers, was convicted after trial by jury on February 26, 1964, and he was sentenced to serve 1 year. Guilty pleas were entered on February 7 by 14 others indicted for failure to purchase the gambling stamp while Harold Bonta was convicted after a jury trial on February 24. All received $500 fines and sentences ranging from probation to 1 year's imprisonment, the first prison sentences ever given in that court for wagering violations. In the western district of Texas, Milton D. Mallard, one of the biggest bookmakers outside of the Houston-Dallas area, was arrested February 7, 1964, and on April 8, 1964, entered a plea of guilty to a four-count information charging willful failure to pay the wagering occupational and excise tax. On the same date he was found guilty of violating the terms of his probation under a 3-year sentence imposed in 1960 for concealment of assets in violation of the income tax laws. On April 8, 1964, in Federal district court in Austin, he was sentenced to serve 1 year for violating his parole. The significance of the case arises not only from the foregoing but also from Mallard's persistent refusal to testify before the McClellan committee and a committee of the Texas State Legislature with respect to the recent basketball fix scandal in the Southwestern Conference about which he is believed to possess valuable information.

Evasion and other violations of Federal income tax laws on the part of gamblers, narcotic violators, and other racketeers have continued to result in important prosecutions. These have been the result of the close collaboration among the Internal Revenue Service, the Tax Division of this Department and this Section. Significant cases include: On August 20, 1963, George Wagner, who was serving a 3- to 5-year sentence in the State of New York for grand larceny and Stanley Younger, already involved in securities fraud cases, pleaded guilty to an indictment charging income tax evasion by Wagner, Younger, Carmine Lombardozzi, Louis DeFillipo, Arthur Tortorello, and Nathan L. Batterman. Tortorello subsequently pleaded on March 23, 1964, and DeFillipo on April 7, 1964. Lombardozzi and Betterman remain to be tried. Lombardozzi and Tortorello are leaders in an important Cosa Nostra family while DeFillipo is known as their strongarm man. On January 21, 1964, Fred Mackey, a Gary Ind., gambler and numbers operator, was convicted of income tax evasion in the northern district of Indiana. He was charged with evading nearly $1 million in taxes. He was sentenced on March 24 to 5 years, fined $10,000 plus $11,828.48 in costs. Ronald Carabbia of the family of that name, well known in the Youngstown area, was indicted together with Leo Moceri and Philip T. Mainer in the northern district of Ohio on October 10, 1963, for income tax evasion. Mainer was recently arrested on a counterfeiting charge in New York. Charles and Orland Carabbia and Joseph, Elias, and Nicholas Alexander, indicted in Cleveland on June 27, 1963, pleaded guilty to conspiring to evade income taxes in pinball receipts on May 12, 1964. Charles Carabbia, who also pleaded guilty to a count of income tax evasion, was sentenced to serve 3 years and fined $5,000. Orland Carabbia was sentenced to 15 months and a $5,000 fine, Joseph Alexander to 2 years and $5,000 fine, and Nicholas Alexander to 1 year probation and a $5,000 fine. The Carabbias and the Alexanders are gambling machine operators in the Youngstown area.

The sheriff of Davidson County, Tenn., Leslie E. Jett, was convicted on June 5, 1964, on charges of income tax evasion and the filing of a false income tax return in that he failed to report payoffs. Louis Nigro, notorious gambler and onetime operator of Carl Civella's gambling establishment in Kansas City, entered a plea of guilty in the western district of Missouri on October 7, 1963, for income tax evasion. He was sentenced October 31 to 3 years and directed to serve 90 days, the remainder suspended.

Further important cases resulted during the past year from vigorous enforcement of the narcotics laws, which has been pursued by this Section working closely with the Bureau of Narcotics. Particularly significant during the past year has been the success achieved against international narcotics traffickers. In one of the more significant narcotic cases to be developed in recent years four Canadian defendants were arrested on June 19, 1964, on an indictment returned in the southern district of Texas on May 27, 1964. They were Lucien Rivard, Charles Emile Groleau, Joseph Raymond Jones, and Julien Gagnon. These defendants were arrested in Montreal and extradition proceedings were commenced. One American was also named in the indictment, Frank James Coppola. He was also arrested on June 19 in Milford, Conn., and 2 days later posted $100,000 bond. Rivard is one of the top international traffickers in narcotics. He was the connection for high-quality, European heroin. Using secret compartments and special packing methods Rivard's couriers smuggled heroin in automobiles from France and Mexico into Canada and then into the United States. In just 3 months of 1963 he is known to have shipped over 225 pounds of heroin into this country. Based on experiences from other narcotics cases, Rivard's profit for those months must have been more than a half-million dollars and the total wholesale value of the pure heroin he shipped must have exceeded $4 million. Salvador Pardo-Bolland, former Mexican ambassador to Bolivia, Juan Artizi, former employee of the Uruguayan Foreign Ministry, and Rene Bruchon, a French national, were convicted in the southern district of New York on June 16, 1964. This case demonstrates the use of the cloak of diplomatic immunity in aid of the international traffic in narcotics. Pardo-Bolland, who held his diplomatic post at the time of his arrest in February 1964, used his diplomatic immunity while attempting, with the other defendants, to smuggle 132 pounds of heroin from Montreal into the United States. Pardo-Bolland was sentenced on July 22 to 18 years, Aritzi to 10 years, and Bruchon to 15 years. Each was also fined $40,000.

In addition to the antigambling statutes, narcotics, and the income tax and wagering tax laws, important cases have been brought against racketeers and organized criminal elements under several of the general criminal statutes.

Among the latter are the statutes relating to contempt of court, obstruction of justice, perjury, the filing of false statements in matters submitted to the Government, bribery, mail fraud, and fraud committed in connection with bankruptcy. The following are representative cases utilizing such statutes during the past fiscal year. Sterling Harris Ford, Inc., Leroy Sterling, and George T. Harris were indicted in the northern district of Illinois on February 19, 1964, and charged with the concealment of the ownership of 300 cars and concealment of $300,000 in corporation assets. In the eastern district of Michigan, Eugene Ayotte was convicted on March 25, 1964, along with Samuel Joseph Giordano for conspiracy and bankruptcy fraud. They were sentenced on June 26, 1964, Ayotte to 5 years and Giordano to 18 months. Subsequently, also in the eastern district of Michigan, Eugene Ayotte was indicted on May 14, 1964, along with Salvatore Licavoli, Don Worden, Richard Zalmanowski, and Moses Joseph, on the charges of conspiracy and bankruptcy fraud arising out of the operation of a Grosse Pointe jewelry store. Felix "Milwaukee Phil" Alderisio, top Chicago racketeer, Ruby Kolod, and Americo De Pietto were indicted in Denver on February 4, 1964, and charged with a violation of 18 U.S.C. 875, extortion and threats.

John Camillo, and George Lombardozzi, Daniel Marino, and Michael T. Zambello, indicted July 22, 1963, on charges of assault on an agent of the Federal Bureau of Investigation, were convicted on November 26, 1963, and each was sentenced on January 24, 1964, to 20 months' imprisonment. The conviction was affirmed by the second circuit on August 4, 1964.

Cases aimed at racketeering influences in the relations between labor and management continued as an important segment of the work of the Organized Crime and Racketeering Section during the past fiscal year. Three statutes have been utilized principally in curbing racketeering influences in labor-management violation. They are: (1) The Hobbs Act (18 U.S.C. 1951) which prohibits extortion affecting interstate commerce and is thus applicable to union leaders who use racketeering methods to extort money from employers; (2) that section of the Taft-Hartley Act (29 U.S.C. 186), as amended by the Labor Management Reporting and Disclosure Act of 1959, prohibiting the payment of bribes from employers to union representatives; and (3) section 501(c) of the Labor Management Reporting and Disclosure Act directed at embezzlement of union funds.

During this period several important indictments and convictions were returned bearing on the racketeering influences in the relations between labor and management. Stanley Walker Stanhope, indicted in the western district of Missouri on March 19, 1964, on 10 counts charging receipts of payoffs from the Ideal Trucking Lines, plead guilty to 2 counts on November 3, 1964, after the Government had presented its case and rested. Stanhope is assistant business agent of Teamster Local 41. Nicholas Sanfillipo, secretary-treasurer, Local 88, Amalgamated Workers Union, Brooklyn, was convicted in the eastern district of New York on November 1, 1963, on 9 out of 11 counts charging violation of the Taft-Hartley Act. He was sentenced on December 20, 1963, to 30 days on each of the nine counts and fined a total of $900. James R. Hoffa, general president of the International Brotherhood of Teamsters, and three other defendants, Ewing King, Larry Campbell, and Thomas E. Parks, were convicted in Chattanooga, Tenn., on March 4, 1964, on charges of conspiring to attempt to influence the jury in Hoffa's previous trial in Nashville, Tenn., which resulted in a mistrial. On March 12, Hoffa was sentenced to serve 4 years on each of two counts to run consecutively and was fined $10,000. The other defendants were sentenced to serve 3 years each. Defense Attorney Jacques Schiffer was held in contempt of court for his conduct during the trial.

Three other trials, based on charges of jury tampering, resulted from the earlier Hoffa trial in Nashville. Teamster Attorney Z. Thomas Osborn, Jr., was convicted on May 29, 1964, and on June 19, 1964, was sentenced to serve 3½ years and was fined $5,000. Henry F. Bell, vice president of the International Longshoremen's Association, was convicted on April 18 and sentenced on April 27, 1964, to serve 5 years and was fined $5,000. Lawrence W. Medlin, Nashville merchant, was convicted on April 3 and sentenced on June 4, 1964, to serve 18 months.

On July 26, 1964, after a 13-week trial involving 140 witnesses and nearly 17,000 pages of transcript, James R. Hoffa and 6 other defendants were found guilty in the northern district of Illinois of conspiracy to violate the mail and wire fraud statutes and guilty of various mail and wire fraud counts relating to the administration of the Teamster pension fund. On August 17 the defendants

were sentenced as follows: James R. Hoffa to 5 years' imprisonment and a $10,000 fine, sentence to be served consecutively to the Chattanooga sentence; Benjamin Dranow, previously convicted for mail, wire, and bankruptcy fraud, as well as bail jumping, 5 years' imprisonment; Abe I. Weinblatt, an associate of Ben Dranow, to 1 hour in custody of the U.S. Marshal; S. George Burris, New York accountant, 18 months' imprisonment and $5,000 fine; Samuel Hyman, west Florida real estate operator, 1 year and 1 day imprisonment and a fine of $5,000; Calvin Kovens, Miami Beach builder, 3 years' imprisonment and a fine of $5,000; and Zachary A. Strate, Jr., New Orleans real estate operator and builder, 3 years' imprisonment and a fine of $5,000. Richard Kamenetsky, Archie T. Katz, Joseph Scalza, Sol Cotliar, Burton Hyman, and Vito Cariello, were indicted in the southern district of New York on June 16, 1964, and charged with embezzling $50,000 of the funds of local 229, United Textile Workers of America.

In addition to participating actively in these diverse investigations and prosecutions, the Organized Crime and Racketeering Section maintains supervisory jurisdiction over statutory violation involving areas often related to organized criminal activity. The more significant of the statutes are the wagering tax laws, the laws relating to liquor and narcotics, the criminal provisions of the Taft-Hartley Act, the Labor-Management Reporting and Disclosure Act, the Welfare and Pension Plan Disclosure Act, the Hobbs Act, and Gambling Devices Act of 1962. The attorneys assigned to this work fulfill the U.S. attorneys' requests for information, precedents, policy, procedure, preparation of indictments or information and drafting of jury instructions. In this way the Organized Crime and Racketeering Section is able to insure uniform standards of procedure and prosecutive policy. An indication of the workload of the attorneys assigned to this function may be received from the fact that during the past fiscal year, 2,031 investigations of violations of the Labor Management Relations Act and the Labor-Management Reporting and Disclosure Act were submitted for review, an increase of 161 over the previous fiscal year. In addition, the attorneys received reports on 996 narcotics matters, an increase of 202 over the previous year; 239 liquor reports, a decrease of 57 reports; 255 wagering tax laws, a decrease of 57 reports; 385 Hobbs Act reports, an increase of 30 reports, and 195 reports of Interstate Transportation of Gambling Devices Act, an increase of 110 reports over the previous fiscal year.

In connection with the drive against organized crime, $665,019.99 in U.S. currency and coin and 193 vehicles valued at $332,321 were seized as forfeited to the United States as a result of having been used in furtherance of operations in violation of the wagering tax laws. In addition, 2,202 vehicles and other property with a total value of $962,126 were seized as forfeited because of their use in connection with violations of the liquor laws, and 398 vehicles valued at $611,973 were seized because of their use in furtherance of violations of the narcotics laws.

The Intelligence Unit of the Section has been developed as a necessary adjunct to an intelligent approach to the organized crime problem. Over the past 3 years the unit has grown in personnel and effectiveness. The unit staffed by 19 clerical employees and a supervisor, has as its principal function the indexing and correlation of all information relating to those who have been identified as being engaged in organized criminal activity. Presently, information is being received with respect to 1,847 prominent racketeers and 3,171 gambling operations. We now have in the unit approximately 200,000 cards which contain pertinent information relating to the leaders of organized criminal activities, their associates and their sphere of influence.

Despte the gains that have been made since January 1961, organized criminal activity continues to be a major social, political, and economic problem. We believe, however, that with the continued emphasis on the investigation and development of these situations the problem can be curtailed with resultant benefits to the United States. The Itnernal Revenue Service has reached the point where the revenue yield from investigation relating to organized criminal activities has exceeded that which has been produced as a result of the general criminal fraud enforcement program of the Service. This, we believe, is meaningful not only because it illustrates the effectiveness of the program and the ability of the Internal Revenue Service, but it points up the degree to which criminal organizations heretofore have managed to defraud the Government by means of tax evasion. This coupled with the intelligence developed by the Federal Bureau of Investigation and the Bureau of Narcotics which discloses the

existence of a major criminal organization in the United States, indicates the magnitude of the task which faces Federal and local officials.

Workload, Organized Crime and Racketeering Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	41	103	189	263	238
Received	526	755	968	900	900
Terminated	464	669	894	925	950
Pending end of year	103	189	263	238	188
Matters:					
Pending beginning of year	----------	----------	0	669	369
Received	----------	----------	1,324	1,000	1,050
Terminated	----------	----------	655	1,300	1,100
Pending end of year	----------	----------	699	369	319
Average number of attorneys	52	60	63	60	60

Administrative Regulations Section

The major work of the Section, as in recent years, is concentrated in the fields of (1) immigration and nationality laws; (2) international extradition; (3) food, drug, and cosmetic, and other laws designed to protect the consumer; and (4) forfeitures of property. Substantial additional work, substantial in volume and significance, also arises from enforcement of the always active customs laws; the White Slave Traffic Act; the selective service laws; the railroad and motor carrier safety and regulatory statutes administered by the Interstate Commerce Commission, including the Safety Appliance and Hours of Service Acts; several statutes enacted by Congress to protect workingmen, probably the most important of which is the Fair Labor Standards Act; and various laws, administered by the Department of Agriculture, which have the purpose of protecting our agricultural enterprise and the American consumer generally, including the Animal Quarantine, Meat Inspection, Poultry Products Inspection, Agricultural Marketing, Agricultural Marketing Agreement, Warehouse, and the Insecticide, Fungicide, and Rodenticide Acts. In addition, the Section is responsible for the enforcement of the Connally Hot Oil Act, the Federal Maritime Act, the Soldiers' and Sailors' Civil Relief Act, and the Gold Reserve Act, and the gold regulations. These statutes are augmented by many other statutes within the supervisory jurisdiction of the Section, which are administered and policed by administrative and regulatory agencies. The enforcement duties of the Section are carried out not only in the field of criminal law, but on the civil side as well, including actions for injunctions, civil penalties, contempt, and forfeitures (condemnations). As of January 1, 1965, the Section was authorized and assigned 18 attorneys for the performance of the described duties.

In the immigration field, 7,154 criminal cases were referred by the Immigration and Naturalization Service in fiscal 1964 as compared with 6,741 cases in the prior fiscal year. While such cases are generally referred directly to the U.S. attorneys, the Section exercises general supervision over the cases; reviews and considers important cases and those presenting new or unusual legal problems before authorizing prosecution; drafts and approves indictments or informations; passes on all requests for dismissals of prosecutions; and closely supervises the cases that reach the court of appeals.

The Section also exercises supervisory juridiction over practically all civil litigation in the immigration and nationality field. This includes the consideration of all petitions filed in courts of appeals under section 103 of the Immigration and Nationality Act of 1952 for the review of deportation orders; consideration of all complaints filed in the Federal district courts against Government officials for declaratory judgments of U.S. nationality and for declaratory and injunctive relief in deportation cases; checking petitions for writs of habeas corpus attacking deportation and exclusion orders; and the issuance of instructions regarding the handling of such litigation. In addition, all recommendations by administrative authorities for the institution of actions by the Government for the revocation of naturalizations illegally procured or procured by concealment of material

fact or willful misrepresentation and for enforcement of immigration bonds, fines, and penalties are reviewed in the Section before suit is authorized. Suits to enjoin the enforcement of such bonds, fines, and penalties are supervised by the Section. Denaturalization matters constitute one of the most time-consuming, exacting phases of the work of the Section, requiring the review of voluminous files to ascertain whether the evidence justifies the filing of denaturalization actions, extensive research, and the preparation of detail instructions regarding the handling of denaturalization suits in the trial and appellate courts. Compromise offers in immigration cases are required to be submitted to the Section for approval or disapproval. The Section also supervises all appeals, both in the U.S. courts of appeals and the State courts, in naturalization cases.

International extradition is an ever-increasing aspect of the work of the Section. The work requires considerable expertise and specialized knowledge regarding applicable judicial precedents and facility in the consideration of treaties and conventions. The Section is repeatedly called upon, often without advance notice and without an opportunity for detailed research, to render legal advice to U.S. attorneys, other litigating sections of the Department of Justice, enforcement agencies of the Federal and State Governments, and international organizations. Pursuant to some 26 treaties, the Department, represents and assists foreign countries requesting the extradition from this country of fugitives from their justice. Work of the Section in the extradition field involves consideration of both foreign and domestic laws and precedents; the weighing of judicial reports and extensive files, transcripts, depositions, and statements; the preparation of affidavits, certificates, requests for extradition, and legal briefs; arranging for attorneys in foreign countries; the issuance of explicit instructions to U.S. attorneys and foreign counsel; conferences with officials of State and foreign governments and the Department of State; and, on occasion, the appearance of our attorneys as witnesses, counsel, and advisers in Federal and foreign courts. In addition to the work in formal extradition proceedings, the Section has been very successful in obtaining the return of fugitives from abroad in instances in which their crimes were not covered by extradition treaties.

The magnitude of the work in the immigration and nationality and the extradition fields may be garnered from the following statistics: In fiscal year 1964, there were filed 44 petitions for review in courts of appeals, 64 actions for declaratory and injunctive relief against the Attorney General or officials of the Immigration and Naturalization Service, and 41 writs of habeas corpus, making a total of 149 new civil cases involving the activities of the Immigration and Naturalization Service. The comparable figures for the prior year were 33, 61, and 23, respectively, for a total of 117 cases. The Section also handled five cases filed against the Secretary of State during 1964. Request for the institution of formal extradition proceedings against 15 individuals were received during the year. The number of persons involved in informal extradition requests received during the year totaled 14. Overall, in 1964, in these fields the Section worked on some 350 cases which were pending in courts; performed legal services in over 700 instances; drafted 16 court of appeals and 4 district court briefs; reviewed 80 court of appeals and 27 district court briefs; passed on 18 requests for dismissal of criminal proceedings; and wrote 14 memorandums to the Solicitor General. During the year, the five attorneys assigned to this work spent 27 days in the field, 9 days in court, 90 hours working on legislation, and countless hours in liaison activities with various officials and agencies.

Much of the work in the immigration and nationality and extradition fields is directly related to the drive on organized crime. To demonstrate, the recent conviction of Sam Accardi, a kingpin of the illicit narcotics trade, was preceded by the Section's successful effort to have in return from Italy, to which he had absconded to avoid trial. Peter Devlin, Richard Grant, and Robert Fox, participants in a huge international narcotics conspiracy, were extradited from Canada. Extradition proceedings have been instituted in Canada against Lucian Rivard, Charles E. Groleau, Julian Gagnon, and Joseph Raymond Jones, who were leaders in another vast international narcotics ring.

Appellate decrees were obtained sustaining denaturalization decrees against racketeers Hugo Rossi and Johnny (Bath Beach) Oddo and a judgment of denaturalization was entered against Dominic D'Agostino, a participant in the Appalachian crime conference. Other prominent racketeers against whom the

Section worked during the year included Abraham F. Zimmerman, Russel Buffalino, Carlos Marcello, Joseph Stacher, and Paul DeLucia. A district court decree of expatriation and sustaining a deportation order against Herman Frederick Marks, "Castro's Butcher," was upheld through the Supreme Court. Successful extradition work on behalf of other countries included the return to Sweden of Bo Roberg Richter and the sustaining of extradition requests on behalf of Mexico against alleged murderers Leonardo de Leon Parra and Evsey S. Petrushansky and against Jaime J. Merino, a former official of the nationalized Mexican petroleum industry, charged with embezzlement.

It is expected that the caseload in the extradition and immigration and nationality fields will continue on at least the present level for the foreseeable future. The full impact of section 106 of the Immigration and Nationality Act, effective October 26, 1961, vesting courts of appeal with initial jurisdiction over the review of deportation orders, is just being felt. Much more time-consuming, detailed research, memorandums of law, and briefs are required than when such cases were heard initially in the district courts. Requests for Section attorneys to argue cases under this technically involved statute are on the increase.

The Section is continuing to increase the emphasis upon protection of the consumer, not only in the area of the food he consumes but also in the medicines and drugs he takes or is administered (by prescription or otherwise) to regain or to retain his health and well-being. Consistent with the policies of the White House, as exemplified by the recently created President's Committee on Consumer Interests in the Executive Office of the President, close and vigorous attention is given to economic frauds and cheats in the foods and drugs marketed in this country. In this connection, there are pending in Brooklyn two indictmets under the food and drug and the fraud laws against manufacturers and distributors of purported weight-reducing and health foods. In one of these cases an advertising agency is named as a defendant The products involved are "CDC Capsules" and "Regimen," nationally promoted weight-reducing nostrums. In addition, the Section is striking out in the new ground recently opened up in the area of medical-drug frauds, wherein pharmaceutical manufacturers and physicians may have submitted false and fictitious data to the Food and Drug Administration in connection with New Drug Applications. The false statement statute, 18 U.S.C. 1001, was used for the first time during fiscal 1964 to prosecute successfully a medical doctor and, in another case, a large pharmaceutical manufacturer for making false reports to the Food and Drug Administration in connection with a drug marketed as MER–29. The Section is taking more affirmative action in this area by directly, and with the help of other agencies and investigators, and through Federal grand juries, investigating all possible leads to cases involving medical-drug frauds. One attorney has been engaged practically full time since February 1, 1964, in preparing and presenting to a grand jury a complex case involving false statements by a large drug manufacturing corporation to the Food and Drug Administration in connection with a New Drug Application. Another lawyer is assigned practically full time to studying congressional hearings and reports and examining other material to obtain leads to additional medical-drug frauds, and as it becomes necessary additional personnel will be allocated to the task.

The intensive investigation by congressional committees of the Food and Drug Administration, the medical-pharmaceutical field, and the existing laws; the MER–29 false statements successful prosecution; the Krebiozen controversy and attendant publicity; the thalidomide tragedies and resultant controversies; the increasing awareness of the Government of the great dangers inherent in the development and marketing of new and sophisticated drugs; and the continuing availability of dangerous and habit-forming drugs (e.g. amphetamines), all have been publicly and officially recognized. New legislation, new regulations, new enforcement problems, and new legal attacks upon and defenses to FDA actions have increased the burdens upon this Section. The trend is clearly shown in the Government's interests in seeking even greater protection of the consumer by the creation of the aforementioned President's Committee on Consumer Interests and increases in the Food and Drug Administration's size, functions, and budget. In fiscal 1965 FDA's budget will be increased by some $10 million to reach almost $40 million for staff and facilities (excluding new buildings), a record for the agency. New medical and field investigators are being and will continue to be added to FDA's staff, thus increasing the enforcement work and

resultant litigation. The effects thereof will be felt by the Administrative Regulations Section in fiscal 1966, if not before. The volume and increased tempo of Food and Drug work are illustrated by the following figures:

At the beginning of the fiscal year, July 1, 1963, 506 cases were pending in the courts under the Federal Food, Drug, and Cosmetic Act. Of these, 193 were criminal, 290 civil, and 23 injunction proceedings. During the year, 194 criminal cases involving 1,010 violations, 1,046 civil cases, and 19 injunction proceedings, a total of 1,259 cases were reported to the Department of Justice. There were thus pending during the year 387 criminal cases, 1,336 civil cases, and 42 injunction proceedings, a total of 1,765 cases. Of these, 1,284 were terminated during the year (241 criminal, 1,029 civil, and 14 injunction), leaving 481 (146 criminal, 307 civil, and 28 injunction) pending at the close of the fiscal year. In addition, 1 suit against the Government was pending in the courts at the beginning of the fiscal year, and 15 were filed during the year. Seven of these cases were terminated during the year, leaving nine such cases pending in the courts at the close of the year.

Under the Federal Hazardous Substance Labeling Act, 14 civil cases were pending in the courts on July 1, 1963. Five hundred and thirty-seven were referred to the Department during the year, and 383 were terminated, leaving 168 cases pending at the close of the year.

In the category of foreiture matters under the liquor, narcotics, gambling, and customs laws, the Section, in addition to supervising and assisting U.S. attorneys in the prosecution of all libels, acts on behalf of the Attorney General on petitions for remission or mitigation of forfeiture, and on offers in compromise of forfeiture liability. During the past fiscal year, the Section acted upon 167 petitions, as compared to 126 in 1963, and 102 in 1962. This increase of over 60 percent in 2 years is substantially due to the Department's drive on organized gambling. For example, in 1962, $368,967 in currency and 151 vehicles valued at $195,161 were seized as being used in violation of the wagering tax and other gambling laws. In 1963 these figures increased to $413,039 in currency and 188 vehicles valued at $26,467. In the last fiscal year $665,019.99 in currency was seized and 193 vehicles valued at $332,321.

A substantial workload also arises under statutes administered by the Interstate Commerce Commisison. Under the Interstate Commerce Act which regulates railroads, motor carriers, water carriers, and freight forwarders, there were 548 criminal cases pending at the beginning of the year, and 792 new criminal cases referred to the Department, making a total of 1,340 pending during the year. Of these, 885 were concluded and resulted in fines of $882,287. In fiscal year 1963, the total fines were $702,978. Under related statutes administered by the Interstate Commerce Commission which provided for civil, rather than criminal penalties, such as the Safety Appliance Acts, Hours of Service Act, etc., a total of $348,260 in penalties was imposed by the courts as compared to $236,950 in fiscal year 1963.

Substantial time and effort are also expended by the Section on cases under the Universal Military Training and Service Act and regulations (Selective Service), violations of the Connally "Hot Oil" Act, and violations under the shipping acts administered by the Federal Maritime Commission. Many cases arise under the Federal Aviation Act, the various navigation and water pollution laws, the Migratory Bird Treaty Act, and other wildlife and fisheries laws. Other time-consuming, complicated matters and cases arise under the copyright, gold, customs, railway labor, and export control laws.

The following statistical summary reflects some aspects of the work of the Section. During fiscal 1964, the Section prepared 22 and reviewed 110 appellate briefs; it also prepared 6 and reviewed 37 district court briefs; it participated in 22 appeals, drew or reviewed 37 indictments, participated in 3 extensive grand jury presentations, received and referred a total of 266 matters, and reviewed and closed 999 matters. Attorneys of the Section were in court 26 days, before grand juries 19 days, and in the field 239 days.

It is not expected that there will be any substantial changes in the Section's statistics for fiscal years 1965 and 1966; some slight increase from year to year is anticipated. The Section's workload will probably increase, however, because it is anticipated that its personnel will become more directly active in actual litigation, including appellate and grand jury work, in the consumer protection and medical-drug fraud fields. In addition, it is anticipated that substantially more man-hours will be devoted to direct participation in and closer supervision of

suits against the Government in the food and drug area. These suits are being brought with increasing frequency to enjoin or to obtain judicial review of action by the Food and Drug Administration.

For example, in Wilmington, Del., the U.S. district court granted judgment to the Pharmaceutical Manufacturers Association and a number of individual pharmaceutical Manufacturers Association and a number of individual pharmaceutical manufacturers as requested in their complaint for an injunction and declaratory judgment against the Department of Health, Education, and Welfare to render ineffective certain interpretative regulations issued under the New Drug Amendments of 1962. This adverse decision has been appealed. If it is not overturned, a flurry of such suits is anticipated. One additional suit has already been filed by the same plaintiffs who prevailed in Wilmington, this time to attack a different set of regulations (those requiring industrywide reporting of the safety and effectiveness of drugs which have been on the market for some time).

As of July 1, 1963, the Division initiated a change in its statistical reporting system. As a result, a case is now closed when the U.S. attorney, for whom we performed the function or service, closes his, rather than when the Section completes the request. This change resulted in a notable case decrease in this Section as well as an increase in the number pending. Contrary to the decrease in case statistics the actual workload of the Section has increased substantially over the same period because of the rise in the number of complex cases in the areas of the immigration and nationality field and international extradition.

Workload, Administrative Regulations Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	38	44	41	199	224
Received	2,278	1,892	1,185	1,335	1,400
Terminated	2,272	1,895	1,027	1,310	1,400
Pending end of year	44	41	199	224	224
Matters:					
Pending beginning of year	----------	----------	0	266	316
Received	----------	----------	1,265	1,300	1,350
Terminated	----------	----------	999	1,250	1,325
Pending end of year	----------	----------	266	316	341
Average number of attorneys	17	17	18	19	19

Appeals and Research Section

The Appeals and Research Section is responsible for the preparation of briefs and presentation of arguments in the Supreme Court on assignment by the Solicitor General; preparation of memorandums to the Solicitor General recommending for or against appeal or certiorari; drafting of legislation and critical comment regarding legislative proposals having any impact on criminal law enforcement; the drafting and reviewing of indictments; and performing research on broad issues cutting across section lines and affecting the work of the Division as a whole. As of January 1, 1965, the Section was authorized and assigned 23 attorneys for the performance of these duties.

As forecast in our estimates last year, there has been no decrease in the appellate caseload. The number of appellate matters handled, 695, or 12 more than in fiscal year 1963, was the highest on record. A total of 648 cases were received compared with 651 the preceding year. Cases closed totaled 648, or 12 more than in fiscal year 1963. The number of cases pending, 47, at year's end was the same as in the preceding year. Petitions for certiorari filed by opponents number 354, an increase of 37 or more than 10 percent over the prior year. Petitions for certiorari by the Government and direct appeals, 7, remained the same. There was an increase of approximately 20 percent in the number of courts of appeal and miscellaneous briefs, which the Section prepared or assisted in preparing, 73, compared with the previous high of 59 last year and the average of 32 over the prior 5-year period. Miscellaneous motions and memorandums in the Supreme Court continued at the relatively high level of 48. The only appreciable decrease in the Section's caseload involved memorandums to the Solicitor

General, recommending for or against appeal or certiorari. Since this work is largely limited to the review of memorandums prepared in the other sections of the Division, the decline of 45 cases in this category did not involve any substantial decrease in the Section's work. In fact the decline in this type of work is more than counterbalanced by the increases in other categories.

Indicative of the continuing increase in Supreme Court cases is the number of petitions filed during the first month of fiscal year 1965. In July 39 petitions for certiorari by opponents were filed compared with 22 last year and the average of 20 for the 5 prior years. More petitions are normally filed when the Supreme Court is in session.

The upward trend in other areas of the Section's work, including research activities involving questions of law common to all sections, are also expected to continue into fiscal year 1965 and 1966.

The second preliminary draft of proposed amendments to the Rules of Criminal Procedure for the U.S. district courts has been referred to the Department for study and submission of comments before April 1965. The Section coordinates its comments with those of U.S. attorneys and other divisions of the Department. In the past year, the Division submitted the Department's position paper to the advisory committee on the first preliminary draft of amendments to the rules and representatives from the Section appeared before the committee and participated in discussions of the proposals. It is anticipated that the amended rules will become effective during fiscal year 1966, and that the work of the Appeals and Research Section will be substantially increased as a result. Following the adoption of the rules in March 1946, a series of seminars were held to familiarize attorneys in the Department and in U.S. attorneys offices with the new rules. Similar measures will doubtless be necessary when the amendments to the rules become effective. Some of the amendments will almost certainly become the subject of litigation in the courts. In addition to the responsibility of briefing cases of this type, U.S. attorneys must be kept advised of procedural developments, court interpretations, and related matters of policy.

The new Criminal Jusice Act will require the Section to give support in setting up plans for the various districts under that statute as well as correlation with the Office of Criminal Justice, the Administrative Office, U.S. courts and committees of the Judicial Conference.

Representatives of the Section participated in the National Conference on Bail and Criminal Justice which was held in Washington, D.C., in May 1964 under the joint sponsorship of the Vera Foundation and the Department of Justice, assisted in the preparation of the agenda and lent support in the discussion panel. Surveys are being conducted by mail to determine the practices in the 92 Federal judicial districts with respect to the release of defendants on bail and on their own recognizance, the use of the summons in lieu of the arrest warrant, and the selection and qualification of jurors. As a result of these surveys we will make certain that the practices of the U.S. attorney offices are in line with those which will insure the proper administration of justice. In this area also those collaborations with the Office of Criminal Justice and other agencies will be required.

Workload, Appeals and Research Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	43	32	47	47	50
Received	578	651	648	660	670
Terminated	589	636	648	657	670
Pending end of year	32	47	47	50	50
Matters:					
Pending beginning of year	----------	----------	0	9	10
Received	----------	----------	18	40	50
Terminated	----------	----------	9	39	40
Pending end of year	----------	----------	9	10	20
Average number of attorneys	19	20	22	24	24

Fraud Section

The Fraud Section supervises the prosecution by U.S. attorneys of criminal frauds arising under the mail fraud and wire fraud statutes, the securities acts, as well as frauds arising from Government procurement and other programs. In addition, the Section supervises the prosecution of embezzlements, misapplications and false entries occurring in national banks, Federal Reserve banks and institutions whose deposits are insured by the Federal Deposit Insurance Corporation. The Section also supervises the enforcement of the criminal provisions of the National Bankruptcy Act. On July 30, 1964, the Section was assigned the responsibility for the enforcement of criminal statutes dealing with illegal election practices and political activity which was previously assigned to the Civil Rights Division. As of January 1, 1965, the Fraud Section was authorized and assigned 16 attorneys for fiscal 1965.

Special emphasis has been placed on the role of all of the Federal fraud statutes by reason of increased awareness of the need for protection of the consumer and investor public. In the past fiscal year the joint efforts of this Department and the Post Office Department have resulted in 544 convictions, as compared to the alltime high of 581 convictions in fiscal 1963. The special emphasis placed on these cases has produced a marked increase in the amounts restored to victims by subjects of mail fraud cases. In fiscal 1964, $9,170,460 was restored to these victims, as compared to $1,995,460 in fiscal 1963, an increase of 359 percent. Over $393,160 in fines was recovered in fiscal 1964, as compared to $145,000 in fiscal 1963, an increase of 171 percent. The fraudulent schemes, as usual, had the most direct impact on the public, involving exploitation of its economic, social, charitable, and spiritual concerns. The schemes involved fraudulent land subdivision sales, charity swindles, savings and loan frauds, and innumerable varieties of other schemes.

During fiscal 1964, continued emphasis was placed on the Department's program in connection with fraudulent land sales, whereby promoters offer worthless arid land for sale to the public at grossly inflated prices. This land is sold primarily to retirement-oriented members of the Armed Forces, schoolteachers, and others of modest income and limited resources. In fiscal 1964, convictions were obtained arising out of 10 indictments in 16 different States, and 205 additional cases are now under investigation or awaiting prosecutive action. Significant convictions include: John M. Phillip, Richard D. Walker, and Jack C. Cherbo, three of the principal promoters in the Harney County Development Corp., who were convicted on December 13, 1963, in Portland, Oreg., for mail fraud resulting from the use of deceptive advertising in the sale of lots at Lake Valley, Oreg. On October 8, 1963, Edward H. Johnston was convicted in San Francisco, Calif., on a 19-count indictment for mail fraud in connection with the sale of lots in a Nevada land subdivision known as Comstock Ranch and was sentenced to a prison term, the probation portion of which was conditioned upon his making restitution to victims of the scheme. On March 31, 1964, Darrell H. Hoffman was sentenced to a prison term of 1 year following his conviction in Denver, Colo., for fraudulent sale of lots at Sunset Valley, Colo. The most significant land subdivision case was the subject of a 78-count indictment in Los Angeles, Calif., on April 2, 1964, in which Arnold Clejan, Joseph Banaron, J. J. Byrnes, Samuel Reisman, Norman T. Rockel, Charles Escarzaga, Robert L. Stein, and 4 salesmen were charged with mail fraud in connection with the sale of lots at Gamble Ranch, Nev., a promotion which more than 3,000 purchasers were induced to enter into contracts to pay $6 million for tracts of arid desert sagebrush land, more than $2 million of which had already been collected as of the date of the indictment.

In the continuing program of prosecuting the "advance fee" racketeers, who obtain fees from the public on promises that loans will be obtained, there were two most significant convictions during the past fiscal year. Ralph L. Sampson, Leonard Miller, and Herbert Ruttenberg were convicted in Atlanta, Ga., in connection with a swindling operation which victimized small businessmen in many States. On November 1, 1963, Adai Leser and Charles Leser were convicted in Los Angeles, Calif., on charges of mail fraud, wire fraud, and interstate transportation of money obtained by fraud in connection with their obtaining more than $180,000 in advance fees on false representations that loans would be obtained from Teamster Union pension funds; the Lesers were each sentenced to 17½-year prison terms and fined $55,000.

The Federal inquiry into the Maryland savings and loan scandals continued as a result of which C. Oran Mensik and D. Spencer Grow were convicted of mail fraud in Richmond, Va., on December 12, 1963, and A. Gordon Boone, former speaker of the Maryland House of Delegates was also convicted on March 5, 1964, in Baltimore, Md. They were charged with mail fraud in connection with the operation of Security Financial Insurance Corp., which purported to give insurance protection to depositors in the now defunct and insolvent Maryland savings and loan associations. Boone received a 3-year prison term, Mensik a 5-year prison term, and Grow a 4-year prison term.

In a continuing effort to protect the public in all aspects of consumer protection, on January 31, 1964, officials and dance instructors of the National Dance Studios and Dale Dance Studios were convicted in Minneapolis, Minn., for mail fraud violations in the sale of dancing lessons by false promises and misrepresentations.

Increasing public participation in the purchase of stocks and bonds is the subject of closely coordinated efforts of the Section and the Securities and Exchange Commission in enforcement of the securities acts. In the past fiscal year 90 defendants were convicted of securities violations and 46 additional cases were referred; 41 indictments were returned during the same period. Many of the major criminal securities cases, covering events and proceedings over a period of many years, culminated by trial and conviction during this fiscal year. On July 11, 1963, after a 3-month trial, Gerald A. Re, Gerald F. Re, and three other defendants were convicted in the Southern District of New York on charges that they violated numerous provisions of the securities acts, charges which precipitated the widely publicized Securities and Exchange Commission Special Study and recomendations flowing therefrom, as well as the recent reform and reorganization of the American Stock Exchange. The Res had worked with Lowell M. Birrell, recently returned fugitive from Brazil who now awaits trial in New York, in connection with the illegal and fraudulent flotation of unregistered securities of Swan Finch Oil Corp., which caused millions of dollars of losses to the investing public. Twenty defendants, including John Van Allen, Milton J. Schuck, Roy B. Kelly, and Cecil V. Hagen were convicted on August 7, 1963, for fraud in the sale of 750,000 shares of the stock of Gulf Coast Leaseholds, Inc. On February 16, 1964, Sydney Albert and Joseph Abrams were convicted in the Southern District of New York in connection with the public sale of securities of the Automatic Washer Co. On March 17, 1964, the conviction which followed the yearlong trial in the *United Dye & Chemical* case in New York (*United States* v. *Virgil Dardi, et al.*) was affirmed by the Court of Appeals for the Second Circuit; affirmed were sentences ranging from 4 to 7 years. These cases, and others, entailed substantial preparation in this Section. and cooperation and liaison with the Securities and Exchange Commission and U.S. attorneys, as well as direct court participation by Section attorneys in a number of cases.

The breadth and scope of the Section's participation in prosecution to National Bankruptcy Act violations continue to expand. During fiscal 1964 there were 48 convictions in this area, as opposed to 44 such convictions during fiscal 1963, and savings and recoveries in bankruptcy fraud situations directly attributable to joint efforts of the FBI and the Department totaled $546,992 in this fiscal year. In addition to directly supervising and coordinating a special program of prosecuting the perpetrators of "planned bankruptcies," a new and fertile field of organized underworld activity, the Section has assisted the commercial community by an educational program of conferences, lectures and advice, to alert wholesalers and manufacturers to the techniques and modus operandi of planned bankruptcy operators. Continuing the work commenced in fiscal 1963, the Section is supervising investigations in a number of major cities with respect to possible corruption and other irregularities of bankruptcy officials, lawyers, and creditors. Increased attention to these violations and close Section supervision of the work of U.S. attorneys with respect to bankruptcy frauds promise to yield a still further increase in the number of convictions and indictments in this field during the coming fiscal year.

Banking violations involving embezzlement and misapplications proscribed by the Federal Reserve Acts and the Federal Deposit Insurance Corporation statutes continue to present difficulty because of their complexity. An example is the elaborate and involved fact pattern which underlies the indictment

of Kenneth E. Katschke and Paul E. Pickle, indicted, convicted, and each sentenced to 3 years' imprisonment in Chicago, Ill., on June 30, 1964. They were charged with utilizing their control of a federally insured savings and loan association to make spurious real estate loans of more than $3 million which enabled them to gain control of the Chatham Bank of Chicago. These manipulations were only a part of far larger and more elaborate machinations which are still under investigation as a predicate to further prosecutive action involving Pickle, Katschke, and other subjects.

The very substantial number of Government programs providing for Federal financing or guarantee of private financing presents, each in its turn, individual problems of legal analysis, investigations, prosecutive liaison with investigating agencies, and coordinated efforts with the offices of U.S. attorneys. Thus, with respect to the many programs administered by the Housing and Home Finance Agency and its constituent agencies, the Section's deep involvement in protecting the integrity of the Federal Housing Administration's program has extended to day-by-day contact with the progress and direction of individual matters, as well as to direct participation by a Section attorney in the preparation, grand jury presentation, and trial of major cases. In one of these, Dr. Daniel Gevinson, developer and sponsor of numerous large FHA insured housing projects throughout the country, was convicted in Dallas, Tex., on July 17, 1964, for submitting false information to the FHA in connection with his $10 million high rise apartment development known as Twenty One Turtle Creek Square. In another major case, Rev. Robert C. Fowler, president of Arlington Villa for Senior Citizens, an elderly housing project at Arlington, Tex., was indicted on July 21, 1964, for submitting false information to the FHA after an extensive grand jury investigation in which the Section directly participated. In December 1963, two officers of Sun Vent Awnings, Inc., James E. Raftery and Malcolm Glenn Murray, and a bank officer, Patrick F. Pray, pleaded guilty in Detroit, Mich., on charges of involvement in the fraudulent procuring of home improvement loans.

In connection with the programs administered by the Department of Agriculture, Jack Haddix was convicted in Detroit, Mich., on July 13, 1964, after a 3-week trial, for his conversion of approximately 225,000 bushels of grain held by him for the Commodity Credit Corporation. During the 1964 fiscal year, the extensive investigation conducted by the Departments of Agriculture and State with respect to the diversion of 553,239 bushels of feed grain destined for Austria under the barter programs was the subject of continuous analysis in the Section, and this analysis and evaluation culminated in a detailed referral for grand jury inquiry in the southern district of New York, the course of which is a matter of continuing consultation and evaluation in the Section.

The Section directly participated in the preparation and presentation to the grand jury of evidence which led to the indictment of Louis M. Ray on January 23, 1964, in the District of Columbia, on the charge that he made false statements to the Small Business Administration as to the existence of loans by Ray's small business investment corporation, which caused the SBA to disburse one half of the amount of such fictitious loans by Ray's company. This was the first indictment obtained in connection with the abuse of the SBA program of fostering investment in small business enterprises in cooperation with sources of private capital. Commencing with the preparation of this case, Section attorneys were, and continue to be, in continuous contact with officials of SBA in a joint effort to review enforcement procedures and to promulgate regulations to guard the integrity of the SBIC program.

The debacle created by the fall of the edible food oil enterprises operated by Anthony DeAngelis resulted in our immediate institution of investigation by the FBI, SEC., Agriculture and a Federal Grand Jury in Newark, N.J. The inquiry into the reported $150 million failure has already resulted in the indictment of DeAngelis and a number of his associates for the interstate trangsportation of forged and fraudulent oil warehouse receipts in the stated value of approximately $100 million. Investigation for possible violation of the bankruptcy statutes as well as the Commodity Exchange Act, the Federal banking acts, and other Federal fraud statutes is continuing.

The Federal Election and Lobbying Act Unit was formed in this Section as a result of the reassignment of the responsibility for the enforcement of the criminal statutes dealing with illegal election practices and political activity, from the Civil Rights Division to Criminal Division. Past experience indicates that an increased workload may be anticipated resulting from complaints of

irregularities resulting from the 1964 general elections. These complaints normally involved charges of election frauds (18 U.S.C. 241 and 242), the issuance of unlabeled political literature (18 U.S.C. 612) and corporate or labor union contributions or expenditures in connection with Federal elections (18 U.S.C. 610).

In the latter portion of fiscal 1964, the Fraud Section also assumed responsibility for supervision of criminal prosecutions rising out of violations of the Commodity Exchange Act.

The total number of new cases received in the Fraud Section during fiscal year 1964 was 455. Although there has been a substantial decline in the total number of cases received the actual workload of the Section has increased substantially over the same period because of the rise in the number of complex bankruptcy and fraud cases. In addition, the Section received over 7,000 new matters of all types, as well as 24,500 letters, reports, memorandums, and submission for appellate or legislative analysis. Section attorneys spent 453 days in the field, and 32 days before grand juries during fiscal year 1964. These statistics show a workload substantially greater than that of all previous years. It is estimated that this high level of workload will be maintained during fiscal years 1965 and 1966.

Workload, Fraud Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	3	3	7	97	147
Received	537	713	455	600	700
Terminated	537	709	365	550	650
Pending end of year	3	7	97	147	197
Matters:					
Pending beginning of year	----------	----------	0	348	500
Received	----------	----------	1,633	2,000	2,100
Terminated	----------	----------	1,285	1,848	2,200
Pending end of year	----------	----------	348	500	400
Average number of attorneys	10	12	13	17	17

General Crimes Section

The General Crimes Section supervises the administration and enforcement of approximately 775 Federal criminal statutes relating to 4 major areas covering integrity in Government operations, protection of the channels of interstate commerce, protection of the postal system, and the special maritime and territorial jurisdiction of the United States. Special matters in this field are often rather extensive full-time projects requiring the assignment of attorneys to assist U.S. attorneys or Division trial attorneys in the preparation of cases, in grand jury presentation and at trial. An example was the assignment of two Section attorneys who, in conjunction with a Division staff assistant, devoted for over 6 months all of their efforts in the investigation and presentment to a grand jury in the southern district of New York a perjury matter involving officials of the General Motors Corp. Similarly, the investigation and analysis of affairs of Robert G. Baker, have required the full-time services of one Section attorney as well as substantial effort on the part of three other Section attorneys. During the past year Section attorneys spent 756 days in the field, 138 days in court, and 110 days before grand juries. As of January 1, 1965, there were assigned 20 attorneys for the performance of these duties.

The comprehensive revision and reenactment of the conflicts of interest and bribery laws which became effective on Januaryl 21, 1963, has increased the activity and responsibility of the Section in this field. During the past fiscal year several important indictments and convictions were returned bearing on integrity in Government operations. In the southern district of New York and in the eastern district of New York grand juries have been investigating possible bribery and attempts of bribery involving personnel of the Internal Revenue Service. Resulting therefrom, on July 30, 1964, 12 indictments were returned in the southern district of New York charging 11 former Internal Revenue Service employees, 8 accountants, 4 taxpayers, and a lawyer, with bribery and attempted bribery in connection with the submission of false and fraudulent income tax

returns. The indictments alleged that between $5,000 and $10,000 in bribes a year was received by each of the former Internal Revenue Service employees for 4 years, the individual bribes ranging from $25 to $1,600. The indictment also alleged attempts by four taxpayers, an accountant, and the lawyers to bribe employees of the Internal Revenue Service after the investigation was disclosed and the first arrests were made in February of this year. As of January 1, 1965, the investigation has resulted in more than 70 individuals being indicted of which 38 were Internal Revenue employees. In Texas, David Clifton Stephens, former county office manager, Agricultural Stabilization and Conservation Service, Brazoria County, was convicted on April 15, 1964, on charges of bribery involving the illegal transfer of rice allotments. He was sentenced to 8 years' imprisonment and fined $37,500.

Similarly, William T. Laverick, Jr., and Harrison F. Tryon, Army Signal Corps employees at Fort Monmouth and Malcolm Schaeffer, a manufacturer's representative, were found guilty of conflict-of-interest and bribery violations in connection with the award of Government procurement contracts. Laverick was sentenced to 2 years' imprisonment and 2 years' probation; Tryon was sentenced to 3 years' probation and Schaeffer was sentenced to 2 years' imprisonment.

The preservation and the protection of the courts and the grand jury system against obstruction and perjury remain one of the principal concerns of law enforcement. Representative cases in this area during the past fiscal year include the following: In the northern district of Illinois, Carl Madda, an attorney for the plaintiff in a civil suit against the United States, offered a $200 bribe to the assistant U.S. attorney handling the case. Madda was convicted by a jury of bribery, sentenced to 18 months' imprisonment, and fined $2,500. Madda's law associate was indicted on April 19, 1964, for taking part in the bribe offer but as yet has not been tried. District of Columbia attorney, James J. Laughlin, well-known criminal lawyer, and a doctor were convicted of obstruction of justice arising out of the doctor's trial for abortion. Laughlin was sentenced to prison for 2 to 5 years and fined $10,000 and the doctor was sentenced to a term of 20 months to 5 years and fined $10,000. A Chicago attorney, Julius Lucius Echeles, was convicted of subornation of perjury, obstruction of justice, and conspiracy in connection with perjured testimony during trial of a narcotics case.

An unusual case involves Verna Lee Jelks, a sergeant, first class, in the U.S. Army, who has been indicted for perjury and subornation of perjury in the western district of Kentucky as a result of his own testimony and false testimony which he solicited from another witness during general court-martial. While investigation of the perjury charges was in progress Jelks was discharged and reenlisted and, as a result of the discharge, jurisdiction no longer attached to the military. So far as is known, this is the first case in a U.S. district court charging perjury and subornation of perjury before a military tribunal.

Federal statutes which protect the channels of interstate commerce include those directed against kidnaping; theft from interstate shipment; destruction of property in interstate shipment; and the interstate transportation of stolen property, forged or stolen securities, and obscene material. The variety and volume of violations punished through utilization of statutes based on Federal authority over interstate commerce demonstrates the importance of such authority in protecting the Nation's ever-expanding commerce.

During the month of July 1964, there were significant convictions in two jurisdictions under the Federal train wrecking statute. On July 22, a jury in Miami, Fla., found John Wesley Davis and Joseph Leo Vedder guilty on three counts of an indictment charging conspiracy to violate the statute, placing of dynamite on a Florida East Coast Railway bridge and an attempt to derail a train. Hugh Winn and John Kalsikos were found guilty of attempting to wreck a train. On August 14, 1964, Davis was sentenced to 15 years; Vedder, 10 years; and Winn and Kalsikos to 6 and 54 months' probation. This is the first conviction relating to the violence attending the strike against the Florida East Coast Railway Co. which has been in effect since January 1963. Investigation of other instances of violence is continuing and there have been more than 300 incidents reported to local and Federal authorities. On July 23, 1964, a trial jury in Lexington, Ky., found Bige Hensley, Charles Engle, Herbert Stacy, and Clayton Turner guilty of conspiracy and of a substantive violation of the train wreck statute. This case stems from an attempt to blow up a Louisville & Nashville Railroad bridge over which coal from struck mines normally flows. One hundred and twenty quarts of nitroglycerine were placed on the bridge and discovered

before being detonated. On August 29, 1964, Stacy was sentenced to 6 years' imprisonment and 3 years' probation; Hensley and Turner, 5 years' imprisonment and 3 years' probation; and Engle, 4 years' imprisonment and 5 years' probation.

In the southern district of New York, Dr. Sidney Martin Fox and several other coconspirators were indicted on October 26, 1962, for the theft of valuable drug cultures which were sold to several European pharmaceutical companies. On July 13, 1964, a superseding indictment was returned which was the result of Dr. Fox's confession and statement to the Government. The indictment includes two additional defendants and several more counts, including charges of theft of valuable laboratory notes and records. The theft of the cultures and notes and records and the sale of foreign pharmaceutical firms resulted in drastic reductions in the world market of the prices of antibiotics, such as tetracycline, aureomycin, and others.

A novel prosecution under the National Stolen Property Act was that of Oscar Carleton Stewart and Charles Frederick Leggett in Detroit, Mich., for inducing two Detroit businessmen named McLean and Maisano to travel in interstate commerce in execution of a scheme to defraud. Leggett pleaded guilty during the trial and Stewart was convicted by the jury. Stewart was sentenced to 2 years' imprisonment and Leggett received a 5-year sentence suspended and 4 years' probation. Leggett and Stewart falsely represented that they owned 528 Volkswagen automobiles which were in Germany ready for shipment and agreed to sell these nonexistent cars to McLean and Maisano upon deposit of $5,200. Maisano flew to Europe with Leggett where Stewart later joined them. Thereafter, Leggett and Stewart abandoned Maisano in Europe, flew back to the United States, and induced McLean to give them $5,200 under the guise that the money was needed to secure the cars from Europe.

The Section continues to receive a large number of cases under the bomb hoax statute which require guidance and supervision of the U.S. attorneys in order to insure that a uniform enforcement policy is achieved.

At the present time there are approximately 12 cases in various stages of prosecution throughout the United States involving stolen or counterfeited securities. One of the largest involved the theft of approximately $1,376,000 worth of stock certificates from Bache & Co., a New York brokerage firm. Two indictments have been returned in this matter involving a total of 15 dealers in stolen stocks. Another case of major importance involved counterfeiting and pledging of General Motors Acceptance Corp., certificates. Such certificates had been offered as collateral in Florida, California, Missouri, and New York-New Jersey area. There is a pending 6-count indictment against 14 individuals in Newark, N.J., in connection with the printing and transportation of these counterfeit certificates.

There were two kidnaping cases during the past year which were of more than usual interest. The *Sinatra* case was widely publicized and resulted in conviction. John David Robinson, age 11, disappeared from his home in Mount Pleasant, S.C., on February 27, 1964. His body was found in the marshes at Hillendale, Fla., on March 31, 1964. Joseph Francis Bryan, who has a record of assault on young boys, was indicted for violation of the kidnaping statute in Florence, S.C., on May 1, 1964. If Bryan is found mentally competent, he will be tried promptly and the Section attorney who has spent substantial time on this case is expected to assist in the trial.

Statutes aimed at safeguarding the postal system include those proscribing robbery, theft from the mails, extortion, and the mailing of obscene material. The problem of obscenity in the mail continues to be one of great concern to the public and to the Government. Obscenity convictions during the past fiscal year were substantially the same as those of the previous year; however, convictions have more than doubled since 1960. Convictions as reflected in Post Office statistics during the past 5 years were 306, 377, 503, 637, and 627. During the past fiscal year arrests by the Post Office Department for the mailing of obscene material increased from 761 to 804. In addition to the convictions for use of mails to transmit obscenity, there were 10 convictions for interstate transportation of obscene material in cases investigated by the Federal Bureau of Investigation.

There have been several significant convictions in the obscenity field. In the western district of Michigan, West Coast News Co., Sanford E. Aday, secretary and sole stockholder of the corporation, and Wallace de Ortega Maxey, president of the corporation, were convicted on December 12, 1963, on five counts of an 18-count obscenity indictment. The corporation was fined a total of $25,000.

Aday was sentenced to a total of 25 years and Maxey was sentenced to 15 years, both subject to provisions of 18 U.S.C. 4208(a)(2). In addition Aday was fined $25,000 and Maxey $19,000. Appeal is pending.

In other obscenity convictions, Jack Kramer, doing business as Nutrix Co., and Irving Klaw were convicted in the southern district of New York on 65 counts of mailing obscene literature and advertisements giving information where obscene materials might be obtained. Klaw was sentenced to 2 years' imprisonment and $5,000 fine and placed on 5 years' probation to begin at the end of the term of imprisonment with the special condition that he refrain from any direct or indirect connection with the distribution of obscene literature. Kramer was fined $2,500 and placed on probation for 5 years. John Edwin Sibley, an automobile service station operator in Michigan with an extensive sexual-deviate record in the State of Michigan, was sentenced to 5 years for mailing obscene letters and photographs. In 1938, Sibley was convicted and sentenced to serve 7 to 10 years in State prison for assault with attempt to rape. He also had previous convictions for mailing obscene letters. Lawrence E. Gichner was convicted on seven counts of mailing obscene literature in the District of Columbia.

In the past few years the use of the mails for transmitting obscene material has been one of the troublesome areas in the law enforcement in the Federal system. Supreme Court decisions in this field have not clarified Federal involvement in this type of case.

Offenses allegedly committed in special maritime and territorial jurisdictions continue to present some of the most difficult and time-consuming problems of Federal authority. The number and variety of such problems are constantly on the increase due, in large part, to the extensive involvement in land use by the Federal Government resulting from the national defense effort. Two cases in this area are worthy of mention.

On July 1, 1964, after 2 days of trial in Mobile, Ala., an on indictment charging murder in the first degree of a fellow seaman, Johnnie Leonard Schwarzauer, pleaded guilty to murder in the second degree and was sentenced to 18 years' imprisonment. The homicide occurred in August 1963, on an American vessel sailing on the high seas off the coast of Trinidad. An attorney from this Section rendered valuable service in the development of this case and assisted in the trial. The indictment and trial of George Edward Slaughter for the murder of a soldier at Fort Bragg, N.C., the homicide occurring 1 day after Slaughter's discharge from the Army, was handled by Section attorneys. He was convicted on December 9, 1964, of first degree murder.

Other types of cases which the General Crimes Section handles in volume are robberies of national banks or federally insured banks, counterfeiting of U.S. currency and coins, forgery, impersonation of military officers, illegal wearing of uniforms, violation of Federal firearms laws, misuse of Federal insignia, and various other crimes.

Walter Frank Fritts, John Christian Sullivan, Jr., and Richard Logan McFarland pleaded guilty to a four-count indictment charging them with robbery of the Maryland National Bank in Baltimore on January 29, 1964, and the murder of a policeman during the robbery. The court imposed a general sentence of life imprisonment on each defendant. Sullivan and McFarland also pleaded guilty to an indictment charging the robbery of the Suburban Trust Co. in Silver Spring, Md. McFarland was sentenced to 15 years' imprisonment and Sullivan to 10 years' imprisonment concurrent with the life sentence. Subsequently, McFarland pleaded guilty to two additional bank robberies, one in Nevada and one in California and received substanial sentences in each.

Richard J. Lau, Mary Lee Dorrell, Dickie Dean Crouch, and Alfred H. Osborne were indicted in Kansas City, Mo., for bank robbery and conspiracy and Osborne on three counts of possessing and concealing moneys taken in bank robberies. All defendants except Osborne, a once prominent but now disbarred attorney, pleaded guilty. Osborne was convicted after a trial of approximately 3 weeks. Osborne received sentences of 15 years for aiding and abetting in bank robbery and 5 years for conspiracy. This case is on appeal and Osborne is also under indictment in California on like charges.

Substantial work was performed in the Section in the case of George LeRoy Stedtnitz in the district of Idaho. Stedtnitz was convicted of first degree murder for a murder committed at the Veterans' Administration Center in Ada County, Idaho. He has been sentenced to life imprisonment.

Mario Garcia Kohly and William Grosch were convicted in the southern district of New York after an 8-day trial on an indictment charging them with conspiracy to violate various statutes pertaining to counterfeiting foreign currency and the actual counterfeiting of 10 and 50 peso notes for the Castro government in Cuba. Prior to trial it was reported by certain newspapers that Kohly allegedly had the approval of the White House for his plan to counterfeit Cuban pesos and flood Cuba with them with the purpose of undermining the Cuban economy. The main defense of Kohly and Grosch was that Kohly was the duly elected head of the Cuban Government-in-exile and, as such, had the authority to print the 10 and 50 peso notes. The court rejected this defense by finding that Castro's government is the only legally recognized government of Cuba and the court also pointed out that the defendants weer not printing currency of their alleged legal government-in-exile but of the Castro government. On July 16, 1964, both subjects were sentenced to 1 year's imprisonment. It is interesting to note that the only significant effort during the trial to establish approval by the American Government for the counterfeiting was an attempt to have a Government witness state that he had cleared the counterfeiting with the CIA. The witness denied this.

Workload, General Crimes Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	24	3	10	101	151
Received	608	727	1,079	1,050	1,100
Terminated	629	720	988	1,000	1,050
Pending end of year	3	10	101	151	201
Matters:					
Pending beginning of year	----------	----------	0	243	143
Received	----------	----------	1,197	1,100	1,150
Terminated	----------	----------	954	1,200	1,150
Pending end of year	----------	----------	243	143	143
Average number of attorneys	15	20	21	23	23

Workload, trial staff,[1] Criminal Division

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	34	17	27	----------	----------
Received	20	25	16	----------	----------
Terminated	37	15	23	----------	----------
Pending end of year	17	27	20	----------	----------
Matters:					
Pending beginning of year	----------	----------	0	----------	----------
Received	----------	----------	52	----------	----------
Terminated	----------	----------	8	----------	----------
Pending end of year	----------	----------	44	----------	----------
Average number of attorneys	10	12	11	----------	----------

[1] Abolished July 1964.

Workload, Criminal Division

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	183	202	321	727	810
Received	4,547	4,763	4,351	4,545	4,770
Terminated	4,528	4,644	3,945	4,462	4,720
Pending end of year	202	321	727	810	860
Matters:					
Pending beginning of year			0	1,535	1,338
Received			5,437	5,440	5,700
Terminated			3,902	5,637	5,815
Pending end of year			1,535	1,338	1,223
Average number of attorneys	137	149	153	155	155

Statistical data work, July 1, 1963, through June 30, 1964

	Division total	Administrative regulation	Appeals and research	Fraud	General crimes	Organized crime	Trial staff
Days in court	1,673	26	42	16	138	1,364	87
Days in field	8,967	239	64	453	756	6,699	756
Days before grand juries	936	19	0	32	110	677	98
Hours in legislation	10,174	390	6,450	222	1,524	1,507	81
Appellate brief prepared	222	22	149	7	12	29	3
District court briefs prepared	45	6	0	3	7	29	0
Appellate briefs reviewed	247	110	7	6	9	115	0
District court briefs reviewed	65	40	0	4	6	13	2
Appeal participation	77	22	10	7	11	23	4

Criminal division attorneys participated in the following trials during fiscal year 1964

Name of defendant	Violations	Disposition
U.S. v. Phinous Allen	26/7203; northern district of Ohio	Nonjury; guilty plea.
U.S. v. Marshall Jack Anderson	do	Do.
U.S. v. Dr. W. G. Anderson	18/1503, 371; middle district of Georgia.	Hung jury; nolo plea.
U.S. v. Dominic J. Avallone	26/7303; middle district of Florida	Jury; guilty.
U.S. v. George Barrow	18/371, 1952; eastern district of Pennsylvannia	Do.
U.S. v. Anthony LaMonica	do	Do.
U.S. v. Pasquale Pillo	do	Do.
U.S. v. Fred DiPatrizio	do	Do.
U.S. v. Rocco G. Grassi	do	Jury; acquittal.
U.S. v. Charles Hunt	do	Jury; guilty.
U.S. v. John Marzilli	do	Do.
U.S. v. Joseph Mattia	do	Do.
U.S. v. Michael Recchia	do	Do.
U.S. v. Querino Dentino	do	Do.
U.S. v. James Gatto	do	Jury; acquittal.
U.S. v. Frank Loscalso	do	Jury; guilty.
U.S. v. Dominick DiCaprio	do	Do.
U.S. v. Benny Bonanno	do	Do.
U.S. v. Cecil Bays et al.	HB, 22 D.C.C. 1801, 2201 District of Columbia.	Do.
U.S. v. Henry F. Bell	18/1503, 371; middle district of Tennessee.	Do.
U.S. v. Donald E. Bennett; Kenneth Richard Petersen.	18/371; Nevada	Hung jury; retrial, both convicted.
U.S. v. Norman Blackman	26/7203; northern district of Ohio	Nonjury; guilty plea.
U.S. v. Harold Bonta	18/2232 northern district of Ohio	Jury; guilty.
U.S. v. A. Gordon Boone	18/1341; Maryland	Nonjury; guilty.
U.S. v. Robert O. Bricknell	18/2312; Nevada	Nonjury; guilty plea.
U.S. v. Robert H. Brown	do	Do.
U.S. v. James R. Hoffa	18/1503; eastern district of Tennessee.	Jury; guilty.
U.S. v. Ewing King	do	Do.
U.S. v. Larry Campbell	do	Do.
U.S. v. Thomas E. Parks	do	Do.
U.S. v. Nicholas Tweel	do	Jury; acquittal.
U.S. v. Allen Dorfman	do	Do.

Criminal division attorneys participated in the following trials during fiscal year 1964—Continued

Name of defendant	Violations	Disposition
U.S. v. Angelo Cancel	18/1621; northern district of Ohio	Jury; guilty.
U.S. v. Charles Carabbia	18/371; northern district of Ohio	Nonjury; guilty plea.
U.S. v. Joseph Alexander; U.S. v. Orland Carabbia; U.S. v. Elias Alexander; U.S. v. Nick Alexander.	26/7201	All guilty.
U.S. v. Ray P. Carson	26/4744a; Nevada	Jury; guilty plea.
U.S. v. Thomas Chatmon	18/1621; middle district of Georgia	Jury; guilty.
U.S. v. 1961 Chevrolet	26/4401, 4411, 4412, 4901a; 7262, 7203, 7302; southern district of Florida.	Nonjury; condemnation forfeiture.
U.S. v. 1959 Chevrolet; 1963 Ford	26/7302; southern district of Florida.	Nonjury; guilty.
U.S. v. Joseph Chierico; U.S. v. Harold Lefelstein; U.S. v. Anthony Donadio; U.S. v. Louis B. Kreuter; U.S. v. Francis Greco; U.S. v. Nathan Frankel.	26/7262, 18/371; southern district of Florida.	Jury; all guilty.
U.S. v. Frank Chavez	18/1504; Puerto Rico	Hung jury; retrial pending.
U.S. v. Doyle T. Conner; U.S. v. Henry Rogers.	18/174, 371; Nevada	Jury; both guilty.
U.S. v. Edmund Cote	18/2113a; Nevada	Nonjury; guilty.
U.S. v. Charles L. Cox	18/2312; Nevada	Jury; guilty plea.
U.S. v. Currency; $281.00 Louis Stahl (claimant).	26/7302, 4401, 4411,4412,4901a; 7262, 7203; southern district of Florida.	Nonjury; guilty.
U.S. v. Currency; $650.00, Adolph Deutsch (claimant).	26/7302, 4401, 4411, 4412, 4901a, 7262, 7203; southern district of Florida.	Do.
U.S. v. Noel R. Currier	18/2312; Nevada	Jury; guilty.
U.S. v. John E. David	18/2412; Nevada	Jury; directed verdict.
U.S. v. Rose Marie David	do	Do.
U.S. v. Raymond Dennis	18/371; Colorado	Jury; guilty.
U.S. v. Irving Dichter	do	Do.
U.S. v. Harold Sanderson	do	Do.
U.S. v. Albert Skinner	do	Do.
U.S. v. Maurice Travis	do	Do.
U.S. v. Charles H. Wilson	do	Jury; acquittal.
U.S. v. Robert Dix	22 D.C.C. 1801 District of Columbia.	Jury; guilty.
U.S. v. Robert Erdman	18/371; southern district of New York.	Nonjury; guilty plea.
U.S. v. S. S. Fekett	18/1951; northern district of Ohio	Jury; acquittal.
U.S. v. Paul Gatlin	22 D.C.C. 2901; District of Columbia.	Jury; nonguilty.
U.S. v. D. Spencer Grow	18/1341; eastern district of Virginia	Jury; guilty.
U.S. v. C. Oran Mensik	do	Do.
U.S. v. Henry McGurren	do	Jury; acquittal.
U.S. v. Charles F. Culver	do	Jury; nolo plea.
U.S. v. Carl F. Hanely	18/2312; Nevada	Jury; guilty.
U.S. v. Robert B. Niggemyer	do	Do.
U.S. v. Leaun Harrelson	29/439c; 501c; eastern district of Michigan.	Do.
U.S. v. Herbert R. Burris	18/1341, 1343, 371; northern district of Illinois.	Jury; dismissed.
U.S. v. James R. Hoffa	do	Jury; guilty.
U.S. v. Benjamin Dranow	do	Do.
U.S. v. Abe I. Weinblatt	do	Do.
U.S. v. S. George Burris	do	Do.
U.S. v. Samuel Hyman	do	Do.
U.S. v. Calvin Kovens	do	Do.
U.S. v. Zachary A. Strate	do	Do.
U.S. v. Wilbert Houcks	18/1001; western district of Missouri.	Jury; acquittal.
Illinois Sports News v. U.S.	18/1084d; northern district of Illinois.	Nonjury; injunction granted.
U.S. v. Emerson D. Insley	29/186b; Maryland	Jury; acquittal.
U.S. v. Kenneth Jacks	18/371, 1084, 1952; eastern district of Kentucky.	Jury; guilty.
U.S. v. Edward Englert	do	Do.
U.S. v. Harry Veddern	do	Do.
U.S. v. Bernard Cruetzinger	do	Do.
U.S. v. J. Charles Trimble	do	Do.
U.S. v. Elza Jackson	18/1621; middle district of Georgia	Do.
U.S. v. Chasteen Johnson	22 D.C.C. 1801, 2204	Nonjury; guilty plea.
U.S. v. Dola Jenkins et al	22 D.C.C. 2801; District of Columbia.	Jury; nonguilty.
U.S. v. James Johnson	26/7203; northern district of Ohio	Jury; guilty.
U.S. v. Slater King	18/1621; middle district of Georgia	Do.
U.S. v. John Kubacki; U.S. v. Abraham Minker.	18/1951, 1952, 371; eastern district of Pennsylvania.	Jury; both guilty.
U.S. v. Leroy S. Langley	22 D.C.C. 2901; District of Columbia.	Nonjury; guilty plea.

Criminal division attorneys participated in the following trials during fiscal year 1964—Continued

Name of defendant	Violations	Disposition
U.S. v. *Richard J. Len*	18/371, 2113; western district of Missouri.	Jury; guilty plea.
U.S. v. *Alfred H. Osborn*	do	Jury; guilty.
U.S. v. *Mary Lee Dorrell*	do	Jury; guilty plea.
U.S. v. *Dickie Dean Crouch*	do	Do.
U.S. v. *Charles Lester*	18/242, 371; eastern district of Kentucky.	Jury, hung; retrial; jury; guilty.
U.S. v. *Edward Buccieri*	do	Do.
U.S. v. *Tito Carinci*	do	Jury; acquittal.
U.S. v. *Joseph Quitter*	do	Do.
U.S. v. *Upshire White*	do	Do.
U.S. v. *Patrick Ciafardini*	do	Do.
U.S. v. *Walter Lewis*	22 D.C.C. 501; District of Columbia.	Nonjury; guilty plea.
U.S. v. *Emanuel Licata*	26/7203; northern district of Ohio	Do.
U.S. v. *Ernest Licata*	26/7203; northern district of Ohio	Do.
U.S. v. *Jerry L. Loveless*	18/2312; Nevada	Jury; guilty.
U.S. v. *Paul McDonald*	26/7203; northern district of Ohio	Nonjury; guilty plea.
U.S. v. *John Mannarite*	18/1341, 1342, 371; southern district of Florida.	Do.
U.S. v. *Jack Pickman*	do	Do.
U.S. v. *George Smurra*	do	Nonjury; Dismissed.
U.S. v. *Harry Tounjian*	do	Nonjury; Guilty.
U.S. v. *Carlos Marcello*	18/361; eastern district of Louisiana.	Jury; acquittal.
U.S. v. *Joseph Marcello*	do	Do.
U.S. v. *Leno Martinez*	18/2113a; Nevada	Jury; guilty plea.
U.S. v. *Robert F. Marvo*	26/7262; southern district of Florida	Nonjury; guilty plea.
U.S. v. *Silas A. Means*	26/7203; northern district of Ohio	Do.
U.S. v. *Lawrence W. Medlin*	18/1503, 2; middle district of Tennessee.	Jury; guilty.
U.S. v. *Wm. S. Merrell, Inc.; Richardson-Merrell, Inc.; Harold W. Werner; E. Flohr Van Mannen; William E. King.*	18/1001; District of Columbia	Nonjury; all nolo plea.
U.S. v. *Robert H. Michael*	18/1708, 495; District of Columbia	Nonjury; guilty.
U.S. v. *James Leo Miller*	18/495; Nevada	Nonjury; guilty plea.
U.S. v. *Clarence Moten et al*	22 D.C.C. 2901; District of Columbia.	Jury; guilty.
U.S. v. *Horace Newton*	26/7203; northern district of Ohio	Nonjury; guilty plea.
U.S. v. *Michail Nickola*	26/7203; northern district of Ohio	Do.
U.S. v. *Nick Nitti*	18.401; Colorado	Nonjury; guilty.
U.S. v. *Thomas Osborn*	18/1503; middle district of Tennessee.	Jury; guilty.
U.S. v. *Orville S. Owens*	18/2312, Nevada	Nonjury, guilty plea.
U.S. v. *Moses F. Plentywounds*	do	Do.
U.S. v. *Harold Parker*	22 D.C.C. 2204, District of Columbia.	Jury, guilty.
U.S. v. *James Pope*	22 D.C.C. 502, District of Columbia.	Nonjury, plea.
U.S. v. *Joni Rabinowitz*	18/1621, middle district of Georgia	Jury, guilty.
U.S. v. *Louis Ralston*	29 U.S.C. 186, 18 U.S.C. 371, eastern district of Michigan.	Jury, plea guilty.
U.S. v. *Kenneth Reed*	18/35, Nevada	Jury, not guilty.
U.S. v. *Edward Reese*	18/1952, eastern district of Virginia	Nonjury, guilty plea.
U.S. v. *William D. Tapp*	do	Do.
U.S. v. *Henry C. Remolif*	26/7201, Nevada	Jury, nolo plea.
U.S. v. *Lamar Bergen*	do	Do.
U.S. v. *Albert Galli*	do	Jury, dismissed.
U.S. v. *Harry Hurley*	do	Do.
U.S. v. *Langhorne C. Forer*	18/1952, eastern district of Virginia	Jury, guilty.
U.S. v. *Francis A. Simpson*	do	Do.
U.S. v. *Robert Rowland*	22 D.C.C. 2901, District of Columbia.	Do.
U.S. v. *Joseph San Fratello*	18/1952, 371, eastern district of Kentucky.	Jury, severed trial pending.
U.S. v. *Breck Lutes*	do	Jury, acquittal.
U.S. v. *Marshall Beasley*	do	Do.
U.S. v. *Herman South*	do	Do.
U.S. v. *Harold Loughn*	do	Do.
U.S. v. *Nicholas San Fillipo*	29/186b, eastern district of New York.	Nonjury, guilty.
U.S. v. *Clarence Scott et al*	22 D.C.C. 1401, District of Columbia.	Nonjury, guilty plea.
U.S. v. *Truman Emil Scott*	18/2314, Nevada	Jury, dismissed.
U.S. v. *Wm. E. Shannon et al*	22 D.C.C. 1801, District of Columbia.	Jury, guilty.
U.S. v. *Morris R. Shlensky*	18/1621, western district of Missouri.	Jury, acquittal.
U.S. v. *Charles Edward Short*	18/2312, Nevada	Nonjury, guilty plea.

Criminal division attorneys participated in the following trials during fiscal year 1964—Continued

Name of defendant	Violations	Disposition
U.S. v. Meyer Sigal	26/7201, 7206(1); western district of Pennsylvania.	Jury; guilty.
U.S. v. Abe Rabinowitz	do	Do.
U.S. v. Donald E. Smalley	18/2312; Nevada	Do.
U.S. v. Archie H. Smith	26/7203; northern district of Ohio	Nonjury; guilty plea.
U.S. v. Edward K. Smith	do	Do.
U.S. v. Robert L. Smith	do	Do.
U.S. v. John Spencer	do	Do.
U.S. v. David Clifton Stephens	18/201, 202, 1001, 371; southern district of Texas.	Jury; guilty.
U.S. v. Betty Jane Stewart	26/7203; northern district of Ohio	Nonjury; guilty plea.
U.S. v. Ben Thomas	do	Do.
U.S. v. F. Thomas	18/1621; middle district of Georgia	Jury; guilty.
U.S. v. Edward Walker	18/1621; eastern district of Pennsylvania.	Do.
U.S. v. Sam Wells	18/1621; middle district of Georgia	Do.
U.S. v. Robert T. Whisnant	18/1084, 1952; eastern district of Virginia.	Nonjury; guilty.
U.S. v. Matthew Whitaker	26/7201; eastern district of Pennsylvania.	Nonjury; guilty plea.
U.S. v. Benjamin White	18/1621; northern district of Ohio	Do.
U.S. v. Frank Zizzo	18/1952; northern district of Indiana.	Jury; guilty.
U.S. v. Alexander Staznick	do	Do.
U.S. v. Walter Wojciechowski	do	Do.
U.S. v. Hugo Lazzareschi	do	Do.

INCREASE REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount $3,491,600, which would mean a requested increase of $5,200 over the fiscal year 1965 adjusted appropriation.

What have you to say about this, Mr. Miller?

Mr. MILLER. Mr. Chairman, we have in past years decided we would not seek additional funds because be believe we can accomplish our job with the current level of appropriations. The work of the Criminal Division, I think, in the last year has continued at a pace with prior years and I think we have had many successes. I think no one would say we are anywhere near a resolution of the crime problem in the United States but I say with some pride that we are a lot further down the road than we were in 1961.

We have certain areas where much additional work is necessary. We have certain areas where I feel our accomplishments have been very significant.

Mr. ROONEY. You have some references here to your successes or nonsuccesses?

Mr. MILLER. Yes, sir.

Mr. ROONEY. In the past year?

Mr. MILLER. That is in the budget justification.

Mr. ROONEY. Where do we find your trial information?

Mr. MILLER. The statistics on the trial staff?

Mr. ROONEY. Yes.

Mr. MILLER. Page 13–65. That gives the name of the defendant, the violation, and disposition and Criminal Division attorneys who participated in the following trials during fiscal year 1964; 13–65 through 13–71.

Mr. ROONEY. It would appear from page 13–63 of these justifications that in 1964, the last year for which you have actual figures, you received less cases than you did the previous year and terminated less cases than the previous year; is that correct?

Mr. MILLER. That is correct, Mr. Chairman.

Mr. ROONEY. You terminated 3,945 in 1964 as compared with 4,644 in 1963?

Mr. MILLER. That is correct.

If I may volunteer the reason for that, Mr. Chairman, about a year and a half ago, I believe we changed, as I informed this subcommittee, our statistical method. Years ago the method of counting a case was that whenever an FBI report or a file came into the Criminal Division it would be considered a case. Subsequently, I think in cooperation with this committee, the method of determining whether an item should be counted as a case or not was determined by whether or not a complaint, information, or indictment had been filed. We felt that probably—and I think the results bear me out—we could improve on this. The method of keeping statistics now is geared to the way the U.S. attorneys keep statistics.

First of all, in order for there to be a case——

Mr. ROONEY. So that I understand this more clearly, is the workload shown on page 13–63 on a comparative basis? When you speak of numbers of cases received, is that on a comparative basis from 1962 to 1966, inclusive?

Mr. MUSKETT. No; starting with 1964 we changed our system so that when a U.S. attorney closes his case, this is despite the fact we might have assisted at three or four different times on this case, and we would not close our case until he closed his. Prior thereto, when we performed our professional function, we closed our case and subsequently, 6 months later, we received an additional request for help, we would open up a new case and subsequently close that.

What we did, we attempted to get on the same system as the U.S. attorney and despite the fact that if we assisted him five different times, it all counts as one case.

We do not close it until he closes his.

As a result our cases really run the same length of time as U.S. attorneys'. We attempted to spell that out for your information on page 13–6.

Mr. ROONEY. Would a telephone call, under these circumstances, constitute a case?

Mr. MUSKETT. No, sir. Under our system they have to perform a substantial professional service.

Mr. ROONEY. You can perform a substantial professional service on the telephone, can you not?

Mr. MUSKETT. Very possibly.

Mr. ROONEY. Would this include a telephone call; that is my question?

Mr. MUSKETT. I would think normally not. In other words, we used the term that they have to perform something substantial rather than just advising the status of the case or if a particular witness was

going to testify, or not testify. To be sure, it is very possible a 5-minute conversation with one of our atotrneys could result in saving 2 days' work for a man in the field.

I think it is very conceivable there might be an occasion when they did count a telephone call.

What we attempted to do for our attorneys was to spell this out in great detail, what we considered to be substantial, so that they would be able to account, or not account, for the statistical work they are doing.

Mr. MILLER. What we consider to be a substantial professional service is outlined on page 13–7 of the budget justifications.

Mr. Chairman, what we were trying to get around, as Mr. Muskett pointed out, was the fact that for money we could have had a long complicated case and that same case might have turned up in our statistics as 10 or 15 cases, simply because on 10 or 15 different occasions requests had been made from the field to the Criminal Division to do particular work on that.

Each time a request was made, a case was opened and a case was closed.

We did not feel this accurately represented the caseload factor of the Criminal Division. Consequently, we decided that every case was exactly that and where you have an indictment, then any work done on that case was work on that particular case despite the number of times work was performed. We would only close that case when it was, in fact, closed by the U.S. attorney's office.

Before, we would open and close a case when the call would come in and the work performed.

This way we have geared it to the U.S. attorney's statistics and that, of course, accounts for the change, if you will, in the statistical reporting.

Mr. ROONEY. Let me understand this correctly? Is the fact that the number of days you people spent before grand juries been of any benefit in ascertaining whether or not you are doing much work?

Mr. MILLER. I have so testified; yes, it is.

Mr. ROONEY. I would expect so.

According to page 13–64 of these justifications, you indicate you had 936 days before grand juries between July 1, 1963, and June 30, 1964.

This would compare, would it not, with 1,680 days, or almost twice as many, in the previous year; to wit, July 1, 1962, through June 30, 1963; is that right?

Mr. MILLER. That is correct.

Mr. ROONEY. What is the new one we have here, hours in legislation?

Mr. MILLER. This item represents the time spent reviewing legislative proposals. As you know, any time a legislative proposal is made, these matters are referred to the Department of Justice for these comments.

Mr. ROONEY. This line and these imposing figures have nothing to do actually with law enforcement?

Mr. MILLER. I would disagree, Mr. Chairman, for the same reason that proposed legislation——

Mr. ROONEY. Enforcement as such?

Mr. MILLER. Enforcement on the streets, no.

As a matter of fact, much of our work being of a supervisory——

Mr. ROONEY. The same would apply, would it not, with regard to these differences in figures in days before grand juries; is that right?

Mr. MILLER. No, sir. If you want to call it that, that was more on-the-street law enforcement. There you are actually either seeing whether you return an indictment or a true bill.

Mr. ROONEY. Mr. Miller, according to this same page 13–64, you have indicated in the period July 1, 1963, through June 30, 1964, you have 222 appellate briefs prepared. This would compare, would it not, with 376 appellate briefs prepared in the previous year?

Mr. MILLER. Are those two figures supposed to compare? Did we break those out?

Mr. MUSKETT. No.

Mr. MILLER. I must confess I do not understand that.

Mr. ROONEY. Do you have a copy of last year's hearings before you? It looks as though you moved from a law-enforcement outfit to a Capitol Hill testifying society.

Mr. MILLER. Heaven forbid, Mr. Chairman. The only explanation I can give for that right now is that there must have been—no, that is not it either.

Mr. ROONEY. I think I understand this. I think I understand the reason why you put this new set of figures in, entitled "Hours in Legislation"; because the rest of your workload has all gone down.

I am looking at page 13–64 and I am comparing it with the same workload chart at page 96 of last year's hearings.

You would know, would you not, about a disparaging difference between 222 shown at page 13–64 and the 376 shown for the year before, would you not?

Mr. MILLER. I certainly should, Mr. Chairman.

Mr. ROONEY. Let us pass to the next item, "District court briefs prepared."

You had 259 in 1962–63 whereas you set forth here at page 13–64, but 45; is that right?

Mr. MILLER. Yes, sir.

Mr. ROONEY. "Appellate briefs reviewed," you had 335 the year before as compared with 247 shown in 1963–64; right?

Mr. MILLER. That is correct.

Mr. ROONEY. In 1962–63, you had 335 district court briefs reviewed as compared with but 65 in 1963–64; is that correct?

Mr. MILLER. That is correct.

Mr. ROONEY. It looks to me as though the workload has all gone down.

Mr. MUSKETT. Mr. Chairman, as you know, we are a service organization to the U.S. attorneys.

Mr. ROONEY. We understand that; but we cannot understand why, with 1,680 days before grand juries in 1962–63, you had only 936 days before grand juries in 1963–64. That is the nub of the thing, is it not, the days in grand jury? I think you have said that already. You made that statement earlier?

Mr. MUSKETT. That is true. Also, during that same period, Mr. Chairman, our days in the court have gone up substantially, as you will note. We do admit that our days before the grand jury decreased in

the past fiscal year whereas our days in the court have gone up. I think it might be appropriate and I would like to see the statistics set out for the first 6 months of this year, the same factors.

In the first 6 months of this year, for appellate briefs prepared, we have a total of 221, which I admit is only 1 less——

Mr. ROONEY. I hoped you would compare it, rather, with the first exhibit of yours to which I directed your attention at page 13–63 when I brought to mind the very substantial reduction in number of cases terminated and the number of cases received in 1964.

Mr. MILLER. Mr. Chairman, I should have been prepared for that. What I would like to do very much is to submit a statement.

Mr. ROONEY. You would like to read the testimony and then put in the best answer that you can? That is about it, is it not?

Mr. MILLER. Not really, Mr. Chairman. I have been at this game too long to try to dissemble.

Mr. ROONEY. That does not help us though, does it? We might forget to ask you some questions.

Mr. MUSKETT. Mr. Chairman, I would like to make one point. I think it should be clear that under our new statistical system, the only thing it did change materially were those pending at the end of the year.

Mr. ROONEY. The statistical system changed the number of days before grand juries?

Mr. MUSKETT. No, sir.

Mr. ROONEY. Did it change the number of appellate briefs prepared?

Mr. MUSKETT. No, sir.

Mr. ROONEY. Did it change the number of district court briefs prepared?

Mr. MUSKETT. No, sir.

Mr. ROONEY. Or the appellate briefs referred?

Mr. MUSKETT. No, sir.

Mr. ROONEY. Or the district court briefs referred?

Mr. MUSKETT. No, sir.

Mr. ROONEY. How many people do you now have in this Division, Mr. Miller, which, from testimony we heard this morning, is not competent to handle the new 1964 Criminal Justice Act?

Mr. MILLER. Mr. Chairman, we have requested no additional appropriation for that. What we thought we had better do is to wait and see what the experience is before we come in and ask you, if it is needed, for an additional appropriation. Frankly, I expect that it is going to cause an increase in the workload in the U.S. attorneys' offices and consequently the Criminal Division.

MALLORY RULE

Mr. ROONEY. What is your opinion of the so-called *Mallory* rule?

Mr. MILLER. I am strongly of the belief Mr. Chairman, that the *Mallory* rule if carried to the extremes, that it in fact has been carried to, can work a very real injustice by reason of the fact that——

Mr. ROONEY. On whom?

Mr. MILLER. On the individuals who comprise our society. I feel that in many instances unless the investigators——

Mr. ROONEY. Excluding the defendant or proposed defendant?

Mr. MILLER. Including the defendant because there is a very good possibility if the police are denied the right of a reasonable period to interrogate that they will arrest and book an innocent man.

It is one of the reasons you have police interrogation, so that after the man is talked to, to find out and check out his alibi. If you do not have a reasonable time to do that, there is always the possibility the man will have a valid alibi and it will not be checked out until some time in the future at which time you will already have gone through the process of being booked.

Mr. ROONEY. Are you familiar with the position of Professor Vorenberg of Harvard Law School in this regard?

Mr. MILLER. No. I must say I am not totally cognizant of his position. I know we have discussed the matter but I do not really know what his position is.

Mr. ROONEY. Thank you, Mr. Miller.

Mr. MILLER. Thank you, Mr. Chairman.

MONDAY, MARCH 1, 1965.

CIVIL DIVISION

WITNESSES

JOHN W. DOUGLAS, ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. Gentlemen, the next subitem is entitled "Civil Division" and is to be found under tab 14 of the justifications book.

We shall at this point insert in the record pages 14–1 through 14–30 of that book.

(The pages follow:)

Civil Division

Appropriation, 1965	$4,350,000
Proposed pay act supplemental	218,100
Appropriation adjusted, 1965	4,568,100
Estimate, 1966	4,571,900
Increase	3,800

The Assistant Attorney General in charge of the Civil Division directs and supervises the general civil litigation of the Government. This litigation arises out of the commercial and governmental activities of the Federal Departments and Agencies. The cases include civil actions of almost every type. During fiscal 1964, the Division became responsible for 5,681 new cases against the United States and 4,600 new cases on behalf of the Government.

In order to handle a caseload of this size and diversity as effectively as possible, the Civil Division's staff is distributed among nine areas of litigation, or sections, within which a much higher degree of specialization is practiced. The broad categories of cases on which the Division's organization is based are:

Admiralty and shipping cases.—All legal proceedings involving ships, shipping, navigable waters, and workmen's compensation.

Court of Claims cases.—All suits brought in this court except patent infringement, admiralty, tax refund, and Federal lands cases.

Customs cases.—All litigation arising out of the appraisal, classification, and imposition of duties on imported goods.

Fraud cases.—Suits to recover statutory damages and forfeitures based on false claims and misrepresentations in transactions with Federal agents.

Patent, trademark, and copyright cases.—Infringement suits against the United States and all other actions involved in establishing or defending the rights and interests of the Government.

Tort cases.—All suits against the United States under the Tort Claims Act involving claims in substantial amounts; claims in tort on behalf of the Government.

General claims.—Government claims founded on contracts, guarantee loans, insurance, loss of property; collection actions, postjudgment proceeding and foreclosures on Government mortgages; actions to assert or defend the Government's interests in bankruptcy, insolvency, foreclosure proceedings, and suits to quiet title; suits under various statutes to recover civil penalties, forfeitures, and special damages.

General litigation.—Suits to enjoin administrative acts, mandamus Federal officials, review orders of Government agencies; suits challenging the constitutionality of acts of Congress; enforcement proceedings under the Labor-Management Act and injunctions under the Taft-Hartley Act; litigation under the Renegotiation Act and the defense of a large volume of suits under various statutes.

Appellate cases.—All appellate cases and matters arising out of Civil Division cases.

The Civil Division estimates that an allotment of $4,571,900 will be required for the fiscal year 1966. This exceeds the 1965 allotment by $3,800.

The increase of $3,800 over the current year's requirements is allocated as follows:

Additional cost in 1966 of 1964 pay act (3 days)	$1,400
Within-grade step increases	24,300
Personnel benefits related to above	2,200
Limitation on number of positions, GS–14 and above	−24,1000
Total increase	3,800

GENERAL STATEMENT

The Civil Division's request provides for 198 legal and 192 clerical positions for fiscal year 1966, the same number as that authorized for fiscal year 1965.

Fiscal year 1964 was, in several important respects, a record year for the Civil Division. At the beginning of the year the Division had 13,164 cases pending. The intake of new cases during the year increased an unprecedented 18 percent to 10,281, the highest in the 8 years in which the Division has been operating at current caseload levels. However, even by dint of the most diligent efforts—closing more cases (other than by delegation of authority to U.S. attorneys) than in any year since 1957—the Division was unable to keep pace with these record receipts. With total closings of 10,119 (as compared with 9,900 the previous year), by the end of the year the Division's caseload had risen to 13,326 cases.

Fiscal year 1964 was also a successful year for the Division. Of the 10,119 cases terminated, 5,261 were cases against the Government in which $274 million had been claimed. The plaintiffs in these cases were awarded only $21 million, less than 8 percent of their claims. On the other hand, in the 4,858 terminated cases originally brought by the Government, $83,400,000 was sought and $49 million recovered—almost 59 percent of the amount claimed. Moreover, the actual dollar collections on Civil Division awards increased from $24,800,000 in fiscal year 1963 to $42,800,000 in fiscal year 1964.

Statistics on the Division's caseload do not, however, accurately reflect the rate at which the Division's actual workload has been growing. As Government activities have increased and expanded into new social, economic, and technological fields, and as legislation and court decisions have opened novel areas of litigation and liability, the work of the Division has become considerably more complicated, difficult, and time consuming. Another circumstance that has added to the Division's burden is that, in large part as a result of increasing judicial appointments, cases are being more extensively "pretried" and more cases are going to trial. These various factors, which have affected the work of every Section in the Division in recent years, are discussed in somewhat more detail in the individual Section justifications that follow. While it is difficult to measure them statistically, some indication of the increased complexity of the Division's work may be derived from the fact that the average amount involved in each

Civil Division case has been rising at a steady 10 percent annually, to the point where it has reached $108,000, almost 50 percent higher than in 1960.

The difficulty of keeping pace with the intake of new cases and the ever-growing complexity of Government litigation has forced the Division to the choice, either of seeking additional personnel or of somehow reducing the caseload. At least through fiscal year 1966, the latter course has been adopted. Effective at the close of fiscal year 1964, the Division (by Department Memorandum 374, 29 Federal Register 7422) delegated to the U.S. attorneys full control over substantially all of its cases involving $5,000 or less. Such delegations have been the normal means by which the Division has gained control over its caseload in the past; in the early 1950's the Division cut its caseload from over 80,000 to approximately 33,000 by this means and, in 1957, it accomplished a similar cut to approximately 14,000. The current delegation is small by comparison; it removed 2,138 cases, involving an average of about $1,600, from the Division's caseload, thus reducing it to approximately 11,200 at the beginning of fiscal year 1965. While the 13,164 cases in the Division's caseload at the beginning of fiscal year 1964 involved $1,300 million, the growth in the Division's workload during the year was such that at the beginning of fiscal year 1965, after delegation, its cases involved a total of $1,400 million.

Of course, this delegation eliminated generally the least important and difficult cases. Nevertheless, the volume of these smaller cases has been such that appreciable benefits should accrue from their delegation, not only by way of enabling Division attorneys to give additional time to more important and complex cases, but in reducing the amount of paperwork the Division exchanges with U.S. attorneys' offices and Government agencies. In addition, the U.S. attorneys will have greater flexibility in the handling of their own caseloads and will be better able to reduce the court backlogs that now hamper effective judicial administration. It should be added that the Division expects to be able to exert some supervision over the delegated cases through increased use of the Department's machine records system.

Whether this increased delegation of authority will enable the Division to handle its caseload effectively with its present personnel complement, only time will tell. In the hope that it will be able to do so, the Division is not requesting funds for any additional positions or increased litigation expenses for fiscal year 1966. However, if the upward trends of the past in the volume and complexity of cases continue, it may well be necessary for the Division to request a substantially increased allotment for fiscal year 1967.

Explanation of estimate by activity—Admiralty and Shipping Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	1,701	[1] 1,608	1,664	[2] 1,162	1,287
New cases received	804	877	916	725	725
Cases terminated	888	821	1,166	600	600
Cases pending June 30	1,617	1,664	1,414	1,287	1,412
Man-years, attorneys	24.2	23.9	25.1	25	25

[1] Corrected figure.
[2] 252 cases closed by delegation of authority to U.S. attorneys.

The Admiralty and Shipping Section has a staff of 25 attorneys stationed in Washington, New York, and San Francisco. These attorneys carry assignments averaging over 45 cases per attorney. Most require extensive trial preparation, and a very large percentage of them go on to trial.

The majority of the cases pending in this section are suits by and against the Government (1) in contract, involving shipping and the chartering, construction, and repair of vessels; and (2) in tort, based on collisions, damage to ship facilities, cargo damage or loss, and personal injury to seamen, longshoremen, and other personnel. Thanks to a number of circumstances, the problems presented by these cases are growing steadily more difficult.

For example, a tight shipping market is driving marginal maritime operators into financial difficulty, as a result of which there are more complex bankruptcies and foreign shipping litigation. A notable instance is the collapse of the

Kulukundis shipping empire involving Government claims of approximately $8 million for taxes, vessel mortgage insurance, cargo loss and damage, crew repatriation, charter hire, and freight claims. A senior attorney in this section had to devote 70 percent of his time during fiscal year 1964 to this one matter.

The St. Lawrence Seaway has opened up new maritime operations and, as a direct consequence, is bringing to the section new litigation arising from these operations. While this litigation may not differ in kind from the cases now being handled by the section, it will necessitate time-consuming increases in travel to the Great Lakes area by section attorneys.

Judicial decisions are an important cause of new litigation problems for this section, the principal source being the continued expansion by the courts of the judicial rule that the Government has the burden of proving that it exercised due care in performing a duty it undertook as a "good Samaritan." Under this rule, courts have continued to hold the Government liable for unsuccessful search and rescue operations, ineffective marking of navigational hazards, and other unsuccessful public services. As a result, extensive field investigations must be conducted in these cases—often by section attorneys, because the affected agencies have not had an opportunity to adjust their records and investigative facilities to this evolving area of liability.

Technological developments in the use of radar have led to a judicial rule that a ship equipped with radar is at fault for failing to take full advantage of the device and to maintain and retain radar plots at stated time intervals during the approach of vessels to each other. A rule such as this makes it essential that the contemporary recollection of witnesses be preserved and, therefore, requires prompt and extensive taking of depositions of all available witnesses. Thus, a complicated type of case becomes even more time-consuming by necessitating more extensive pretrial preparation.

Admiralty litigation is necessarily conducted at every stage by the attorneys in this section and there are very few instances in which trial or pretrial work can be handled by U.S. attorneys with supervision and assistance from the section. Since this is almost exclusively a trial section, it is especially subject to the pressures created by the expanded Federal judiciary. More discovery proceedings, more preliminary motions, more pretrial conferences, and more trials, mean not only that more travel and more time must be devoted to each case, but that more cases will reach a stage of active litigation in any given period of time. It is all but impossible for a staff of fixed size to respond adequately to such increasing demands.

Court of Claims Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	1,069	977	930	818	800
New cases received	259	181	220	250	250
Cases terminated	351	228	332	268	250
Cases pending June 30	977	930	818	800	800
Man-years, attorneys	37.2	40.7	40.1	40	40

The Court of Claims Section is responsible for suits filed against the Government in the Court of Claims involving claims arising out of construction, procurement, and other Government contracts; contract terminations; salary, retirement, and pay and allowance claims allegedly due civilian and military personnel; the transportation of Government property; just compensation asserted under the fifth amendment for requisitions of private property; and cases authorized by special acts of Congress. All of these cases are handled exclusively by the 40 attorneys in the Section; most must be prepared for trial, and a substantial proportion actually go to trial.

For the past 5 fiscal years there has been a general decline in the size of the caseload of this Section. At the end of fiscal year 1964 the number of cases pending had fallen to 818 as contrasted with the 930 pending at the end of fiscal year 1963. But whereas the 930 cases of fiscal year 1963 sought $222,747,000, the 818 cases pending at the end of fiscal year 1964 sought over $221 million.

The reduction in pending litigation of 122 cases made no difference in the total amount claimed against the Government because of a sharp increase in

the number of suits on construction contracts filed during the year. These cases involve large claims—and they are also the most difficult and time-consuming class of cases handled by the Section. The number of pending construction contract cases has more than doubled since fiscal year 1957, rising from 70 in that year to 165 in fiscal year 1964. As a result of this volume and the extraordinary size and complexity of these cases, they have now become the heart of the Section's workload. Many of them require the services of two or three attorneys each. The average of these cases requires about 150 man-days for disposition, but some have required or will require as many as 3 or more man-years for trial and disposition. Since no lag in the expansion of Government construction activities appears likely, the increase in construction contract cases is certain to continue—and with it, the burden on the Court of Claims Section.

Former Chief Judge Marvin Jones of the Court of Claims, testifying before the House Appropriations Committee on January 15, 1964, emphasized the increasing complexity of the cases being brought before the Court of Claims. He made particular reference to large contract cases and cases in the electronic and space fields, and he also spoke of the fact that much larger trial records must be developed in these more complex cases. This Section is responsible for the cases to which Chief Judge Jones referred, with the exception of those cases in the electronic and space fields which allege patent infringement.

The factor of larger records is one of the most troublesome developments in the work of the Section. As cases have become more technical and complicated, it has become necessary to adduce more and more testimony and exhibits to develop the issues adequately. A notable example is *Cronin* v. *United States*, a suit for $1,200,000 arising out of the construction of a turbine testing station for the Navy, in which a trial record of 12,500 pages and 2,700 exhibits was compiled. Not only are such massive cases difficult and time consuming to prepare and try, but an inordinate amount of time must be spent in reviewing and analyzing these lengthy records to prepare the findings and briefs for presentation to the court.

Procurement contract cases comprise the next most important part of the Section's workload. The majority of these cases involve all of the time consuming elements described above, and a large percentage of them must be considered the workload equivalent of construction contract cases. However, there has not been an equivalent increase in the rate of new procurement contract cases filed each year. At the end of fiscal year 1964 there were 109 such cases pending, claiming in excess of $70 million.

The single largest class of cases handled by the Section are the military and civilian pay cases. There are 316 such cases now pending, involving approximately $6 million. This statement does not, however, accurately reflect the financial importance of the pay cases. In many of them, a decision adverse to the Government's position will result in administrative payments to large numbers of former military and civilian personnel similarly situated. For example, approximately 112,000 persons have an interest in the pending case, *Akerson, et al.* v. *United States*, and an estimated $165 million is involved. In *Charles M. Bailey, et al.* v. *United States*, a suit for overtime pay brought 19 civilian employees of the National Guard, an estimated $75 million is involved.

CUSTOMS SECTION

The Customs Section, located in New York, is responsible for the defense of all cases pending before the U.S. Customs Court (both trial and appellate terms) and for some of the appeals to the Court of Customs and Patent Appeals. These cases involve appeals for reappraisement of imported merchandise, protests for review of classification of such goods, actions for redetermination of appraisal values, and petitions for the remission of customs duties.

At the beginning of fiscal year 1964, the number of cases pending in the Section totaled 186,452. This had risen by the end of the year to 199,650. The volume of pending actions is due to the fact that groups of cases are suspended pending the outcome of test cases. Thus, while the Section does not have to cope with 199,000 separate suits, each case it does try is highly important because the outcome affects or resolves many other cases. It is also true that some examination must be made of the papers and some processing done with respect to all suspended cases. Because of this large suspension list, the figures for termination in any one year are also very large. During fiscal year 1964, 27,784 protests for classification were disposed of as compared with 17,111

closed in fiscal year 1963. In fiscal year 1964, 10,166 reappraisement appeals were terminated as against slightly less than 8,500 in fiscal year 1963.

During fiscal year 1964, the 13 attorneys in the Customs Section participated in 359 test trials before the Customs Court. This compares with 369 trials in fiscal year 1963 and only 218 in fiscal year 1962. The number of trials is, again, an inadequate indication of the work performed. Government attorneys must be prepared on a far greater number of trials because notices of trial are served by the plaintiffs and then abandoned or continued on the day set for trial. For example, out of 655 cases noticed for trial in fiscal year 1964 outside of New York by plaintiffs, 140 were abandoned or dismissed and 87 were continued on the trial date. On these same dockets outside of New York during the last fiscal year, the Government noticed 629 cases for trial. Only 106 of these were tried and 103 were abandoned by plaintiff or dismissed on the Government's motion. Thus, a very substantial amount of pretrial preparation takes place without actual trials ensuing.

Cases before the Customs Court are tried not only in New York but in about 100 other cities throughout the United States. When the Customs Court holds hearings in these other cities, attorneys from the Section accompany the court. In fiscal year 1964, there were 18 such "outport" dockets. The court sat in 53 different cities, and 2 or more times in 12 of these cities. During the year, Customs Section attorneys were absent from New York on outport dockets for a total of 378 working days, and at various times as many as five attorneys were on outport dockets while court sessions were in progress in New York. Outport dockets for the west coast, Texas, and the Great Lakes regions require attorneys assigned to cases on these dockets to be absent from New York from 4 to 7 weeks at a time.

Until fiscal year 1963 the Customs Section consisted of only 10 attorneys. With this staff, the Section was able to make only a nominal defense in many cases and rely mainly on the presumption of the validity of the collector's actions. When a staff of 13 attorneys was authorized in fiscal year 1963, it became possible to make a full defense in substantially all cases coming to trial.

This enlargement of the customs staff produced marked results. From fiscal years 1958 to 1963, the Section won 49.3 percent of its Customs Court trials and exactly 50 percent of its Customs Court appeals. In fiscal year 1964, the Section won 61.5 percent of its Customs Court trials and 76.5 percent of its appeals. Now, of course, the aggressive action that produced these results imposes ever-increasing burdens on the staff of the Section.

A new source of litigation before the Customs Court lies in the new Tariff Schedules of the United States under the Trade Expansion Act of 1962, published during fiscal year 1964. Cases under these schedules have already begun to be filed. Since the schedules involve changes in language and present possible constitutional questions, they are sure to be the subject of much additional litigation. The brunt of this new work will have to be borne by the Customs Section.

Frauds section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	1,274	1,315	1,412	[1] 955	955
New cases received	641	738	550	600	650
Cases terminated	600	641	830	600	625
Cases pending June 30	1,315	1,412	1,132	955	980
Man-years—Attorneys	15	15.8	14.9	15	15

[1] 177 cases closed by delegation of authority to U.S. attorneys.

The Frauds Section is responsible for suits under the False Claims Act to recover double damages and civil penalties; suits under the Surplus Property Act to recover double damages and penalties or other elective remedies; suits under the Anti-Kickback Act; and actions for common law fraud and conflicts of interest.

As a result of a significant increase in its terminations and a decrease in new cases received, the Frauds Section was able to achieve a 20-percent reduction in its caseload during fiscal year 1964. This reduction, however, does not presage

any decrease in the workload of the Section. For one thing, the kinds of governmental activities that have historically tended to produce fraud cases are on the increase, so that the decrease in new cases in fiscal year 1964 must be viewed as temporary; for example, experience under pilot projects of the food stamp program indicates that the Food Stamp Act of 1964, which placed that program on a nationwide basis, will lead to a large number of attempts to defraud the Government. Second, notwithstanding the 20-percent drop in the caseload, the amount involved in these cases did not change appreciably; at the beginning of fiscal year 1964, the Section's cases involved $40,600,000, whereas at the end of the year they involved $40 million.

Finally, and most significantly, the Frauds Section is experiencing the trend apparent in the caseload of the other sections of the Division toward a pronounced increase in the complexity of the newer cases. For example, during the 18 months ending in June 1964, one attorney in the Section was required to devote more than 50 percent of his time to disentangling and analyzing the activities of Billie Sol Estes. Two suits in which the Government recovered over $6 million in fiscal year 1964 against an airframe manufacturer and an electronics corporation occupied about 25 percent of the time of the staff attorney who, in each case, had to unravel the complicated accounting and contractual facts involved.

Moreover, there has been a steady rise in the numbers of cases being received in some of the more difficult fraud areas. Bureau of Public Roads cases are particularly difficult and time consuming; not only do they present novel and complex accounting and engineering problems, but the nature of the Federal highway program necessitates a familiarization with the contractual systems of all 50 States rather than just the Federal contractual system. As a result of the rapid expansion of the interstate road building program, the number of these cases received has roughly quadrupled in the last 4 years. Another source of difficult fraud referrals is the Agency for International Development, whose cases generally involve not only the complex regulations of that Agency but problems of comparative international pricing and foreign exchange. The number of these case has approximately trebled in the last 4 years.

From 15 to 20 percent of the Section's fraud cases are actually tried by the 15 attorneys of the Section. Of course, any fraud case requires very extensive preparation for trial because of the higher standards of proof required, and it is usually the most difficult and complicated of the fraud cases that are tried by Section attorneys. In one instance during fiscal year 1964, approximately 20 percent of the time of a senior trial attorney was spent in the pretrial preparation of a single case in which a mining company is alleged to have obtained excess profits of some $2,600,000 on a strategic metals stockpile contract.

General Claims Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1			3,734	[1] 2,758	2,908
New cases received			4,357	3,400	3,400
Cases terminated			3,957	3,250	3,350
Cases pending June 30			4,149	2,908	2,958
Man-years, attorneys			21.6	21	21

[1] 1,391 cases closed by delegation of authority to U.S. attorneys.

The General Claims Section is responsible for money claims on behalf of the United States based on contract, quasi-contract, and specific statutes. The principal situations in which such claims are asserted include mortgage foreclosures arising out of FHA housing projects and other Federal loan programs; recoveries under the Walsh-Healey Act; treble damage claims under the Elkins Act; claims for forfeitures and penalties under other statutes; collection proceedings; lien foreclosure actions and suits against guarantors and sureties; and bankruptcy and insolvency proceedings. The section also handles actions against the Government to foreclose and quiet titles, the defense of veterans' insurance litigation, and the enforcement of veterans' reemployment rights in private industry.

Prior to the delegation of authority to U.S. attorneys, the 21 attorneys in this Section carried an average caseload of almost 200 cases. Although the delegation reduced the Section caseload by one-third, it did not effect a comparable reduction in the workload since only the smallest and least important cases were delegated. This is indicated by the fact that the delegation of 1,391 cases decreased the total amount claimed in the pending caseload from $251,600,000 to $249 million, or 1 percent.

Instead, the complex and time-consuming character of the cases now being referred to this Section has more than offset the workload advantage gained by the transfer of responsibility for minor Government claims. Since the suits brought by this Section arise out of the full range of governmental activities, they reflect not only the growth of these activities but their extension into new fields. A much larger percentage of the new cases, involving everything from toluene extraction plants to data-processing computers, have had to be handled at all stages of litigation by the Section attorneys. Many of these cases have required hundreds of attorney man-hours during fiscal year 1964 and will continue to consume attorney time in fiscal 1965.

Special mention should be made of the Collection Unit which was established in the General Claims Section during fiscal year 1964. The purpose of this Unit is to provide more detailed and comprehensive supervision of the collection of judgments and installment arrangements on behalf of the Government. Whenever such judgments or arrangements are obtained by any section in the Division, they are transferred to the Unit. This change has caused an appreciable increase in the workload of the Section, not only because of the additional cases now assigned to it, but because the purpose of this specialization is to concentrate much more attention on postjudgment actions than was previously given to such cases. We believe that this specialization will result in substantial benefit to the Government.

General Litigation Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	8,976	7,456	[1] 2,254	[2] 2,570	2,770
New cases received	4,876	5,014	2,031	2,100	2,100
Cases terminated	[3] 6,396	6,482	1,679	1,900	1,900
Cases pending June 30	7,456	5,988	2,606	2,770	2,970
Man-years, attorneys	33.3	34.5	17.5	17	17

[1] 3,734 cases transferred to the new General Claims Section.
[2] 36 cases closed by delegation of authority to U.S. attorneys.
[3] 1,208 cases closed by delegation order.

The General Litigation Section is responsible for litigation by and against the United States in Federal district courts and State courts involving proceedings to review orders of administrative agencies, defense of suits against the Government agencies and officials to enjoin official acts, affirmative suits to prevent interference with Government operations, and many other types of cases involving enforcement or protection of Federal rights and interests. A substantial part of the Section's caseload is comprised of suits under the Social Security Act, the Agriculture Adjustment Act, and the Civil Service and Veterans' Preference Acts, district court suits under the Tucker Act, and suits under special jurisdictional acts of Congress. Some important types of cases handled by this Section include interventions in litigation challenging the constitutionality of acts of Congress; renegotiation litigation in the Federal district courts and the Tax Court; Taft-Hartley Act national health and safety injunction suits; and civil enforcement proceedings under the Labor-Management Act of 1959.

The caseload of the General Litigation Section showed a substantial increase during the year, the category of principal increase being in the social security cases which increased from 1,201 at the end of fiscal year 1963, to 1,584 at the end of fiscal year 1964. The work of this Section will not be substantially affected by the delegation order—only 36 cases having been transferred pursuant to the order. Hence, the problem of the Section is the continuing growth in certain categories of very important litigation.

Among the most important classes of litigation handled by the Section are suits for injunctions, declaratory judgments, and writs of mandamus against Government officials. By their very nature, these suits require immediate attention and expeditious processing; moreover, they generally involve either novel factual situations or novel questions of law and are frequently quite complex. The number of these cases has been increasing at a high rate—the number received during fiscal year 1964 was 80 percent higher than the number received in fiscal year 1962. Because of the special problems they present, as well as a need for uniform treatment, these cases must very often be handled by Section attorneys experienced in handling such matters, and their increasing numbers imposes a substantial burden on the Section.

Perhaps the most burdensome aspect of these cases is the fact that, not only has their absolute number been increasing, but the proportion of them brought outside of the District of Columbia has also been steadily rising, primarily as a result of Public Law 87–748. From fiscal year 1962 to fiscal year 1964, the number of such suits received in the District rose about one-third, but the number received outside of the District more than doubled. The problems caused by this wider distribution of injunction litigation go beyond the greater amount of time that Section attorneys must spend in traveling (although it is relevant to note that the Section's total travel expenses were almost 2½ times as high in fiscal year 1964 as they had been in fiscal year 1963). Because judges and attorneys outside of the District of Columbia are relatively unfamiliar with cases of this type, more time and effort must be spent in both their preparation and presentation.

There has also been a sharp increase in another difficult category of cases, those arising under the Labor Management Reporting Act of 1959. These cases are concerned with such matters as the upsetting of union elections, requiring unions to discuss in detail their financial affairs, and requiring labor management consultants to report their election-influencing activities. They often present novel and difficult questions of law, and they are invariably among the most hotly contested cases handled by the Section.

Patent Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	305.	298.	310.	244	270
New cases received	92.	103.	104.	123	141
Cases terminated	99.	91.	170.	97	107
Cases pending June 30	298.	310.	244.	270	304
Man-years, attorneys	14.9	17.6	17.3	17	17

The more important responsibilities of the Patent Section include the defense of patent and copyright suits against the United States in the Court of Claims and Federal district courts, interference proceedings before the Board of Interferences and the courts, and the defense of the Register of Copyrights in any litigation in which he may become involved.

The Patent Section has the smallest caseload in the Division, but on monetary considerations alone the patent cases are highly significant to the Government. For example, at the end of fiscal year 1964, there were 84 suits against the Government in the Court of Claims for patent infringement. In only 16 of these, total damages of $207 million were claimed. The remaining 68 cases asked only for "just compensation," which is conservatively estimated at more than $100 million. These 84 suits concern a total of 215 patents and 1,939 claims of infringement.

In addition to these suits in the Court of Claims, the Section at the beginning of fiscal year 1965, was representing the Government in 37 interference proceedings to determine priority of invention. A victory in one such proceeding cuts off a probable suit in the Court of Claims. A loss amounts to a finding of infringement by the Government and must be followed either by settlement with the prior inventor or litigation. Thus, even though no amount is specified with respect to these interferences, an immense amount of money is involved.

The long-term trend of these patent infringement and interference suits is that they involve more patents per suit, more claims per patent, more time and expense in preparing for trials, longer trials and trial records, and, above all,

more complex matters at issue. Whereas the Government's patent litigation formerly involved predominantly mechanical inventions, it is now largely concerned with the vastly more complex electronic and advanced chemical inventions of today.

Indeed, the cases handled by the Section involve the full range of technological advances being utilized in modern military, space, and atomic energy activities. The attorneys in the Section must keep abreast of these developments, at least in broad outline, and then, for a particular trial, must master the detail of the new areas of modern science at issue.

Torts Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	2,542	2,445	2,610	[1] 2,473	2,501
New cases received	2,048	1,799	2,010	1,828	1,878
Cases terminated	2,145	1,634	1,865	1,800	1,800
Cases pending June 30	2,445	2,610	2,755	2,501	2,579
Man-years, attorneys	16	19.2	21.2	22	22

[1] 282 cases closed by delegation of authority to U.S. attorneys.

The work of the Torts Section is primarily concerned with defending the United States in suits under the Federal Tort Claims Act involving death, personal injury, and property damage; and in prosecuting the larger tort suits on behalf of the United States. The work of the Section is performed by 22 attorneys, 5 of whom comprise an Aviation Accident Unit and 4 of whom comprise a Medical Malpractice Unit.

The 2,755 cases that were pending at the end of fiscal year 1964 involved claims totaling $384,700,000—an average of just short of $150,000 per case. The delegation of authority did not have any substantial effect on these monetary figures; the 282 cases delegated at the close of the fiscal year involved a total of only $519,000 in claims.

The Section experienced a 10-percent increase in cases received in fiscal year 1964. Much of this increase consisted of ordinary automobile cases, but even in this routine category of cases new complications are being presented. For example, because suits continue to be filed in State courts against Government drivers for torts committed within the scope of their employment, it is necessary to go through the procedure of removing these cases to Federal court and substituting the United States as party defendant under Public Law 87–258 (the so-called Government Drivers' Act).

Another factor further complicating all classes of Federal tort litigation is the fact that the Government is now making much more frequent use of third-party practice and cross-claim procedures, as authorized by the Federal Rules of Civil Procedure, in order to obtain indemnity or contribution against third parties. The employment of these procedures has at least doubled in the last 2 years, and they have seen especially frequent use in suits under the Government Drivers' Act. Demands have been made against insurance companies in almost one-third of the 251 cases under Public Law 87–258 that were pending at the close of fiscal year 1964.

There were also notable increases in a number of the Section's more difficult case categories. Medical malpractice cases, whose difficulty and complexity is attested to by the establishment of the Malpractice Unit in the Section, came in at a rate almost one-third higher in fiscal year 1964 than they had in fiscal year 1963—94 cases, as compared with 73 in the previous year. New explosion cases in fiscal year 1964 almost trebled over the prior fiscal year, reaching 42 in number; these cases are almost always highly technical and often are concerned with such advanced scientific fields as solid-fuel propellants and nuclear energy facilities. The number of sonic boom cases rose to 10 and seems certain to rise still more in the future.

There was substantial decline in the number of new aviation accident cases received in fiscal year 1964, but it is difficult to view this as anything but temporary. A crash of an Eastern jet in New York in 1962, which has already led to 21 suits against the Government, is expected to produce up to another

30. The 1963 crash of a Pan American jet at Elkton, Md., in which 81 persons died, has thus far led to only 9 suits against the Government but will surely result in many more. Three other aviation accidents during fiscal year 1964 caused 95 deaths and 36 injuries, but they have produced only one suit against the Government so far. Thus the Section can expect a considerable volume of work in this most complex category of cases during the coming fiscal years.

Another difficult area in which the work of the Section continues to increase is that of suits by Federal prisoners for injuries sustained in the course of their incarceration. Prior to the Supreme Court's decision in the *Muniz and Winston* case in June 1963, virtually no such suits were filed, and those that were filed could be disposed of with a motion to dismiss. These suits must now be litigated on the merits, and they are being filed in increasing numbers—25 in fiscal year 1964. The Torts Section must maintain especially close supervision over this emerging area of liability because of its novelty to both prison personnel and Government attorneys, and because of the importance of the initial precedents in this field.

Appellate Section

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	300	374	390	450	645
New cases received	931	1,039	1,165	1,300	1,400
Cases terminated	857	1,023	1,105	1,105	1,105
Cases pending June 30	374	390	450	645	940
Man-years, attorneys	18.1	18.9	21.4	21	21

The primary responsibilities of the Appellate Section are (1) briefing and arguing, or supervising the handling, of Civil Division cases in the Federal courts of appeals and the State appellate courts, (2) briefing and sometimes arguing Civil Division cases in the Supreme Court, and (3) analyzing all court decisions adverse to the Government in Civil Division cases and preparing memorandums recommending for or against appeal or certiorari.

The caseload of this 21-man section has increased quite sharply in recent years. At the close of fiscal year 1962 it stood at 300; by the close of fiscal year 1964, it had risen 50 percent to 450 cases. And, of course, the trend toward more difficult cases which the other sections of the Division have been experiencing is fully reflected in the work of the Appellate Section. One manifestation of this fact is the increasingly longer record on appeal with which the Section attorneys are having to deal—sometimes running to over 1,000 pages and often involving technical matters of great complexity.

Another factor somewhat complicating the work of the Section is an increased tendency on the part of litigants to seek interim relief, such as stays or injunctions pending appeal; the Section contested 24 such applications in fiscal year 1964. This necessitates one or more rounds of pleadings and sometimes an oral argument before the case even reaches the appellate court on the merits. This problems has been particularly present in the increasingly large number of appeals the Section has had to handle involving Department of Agriculture marketing regulatory programs. The complexity of the regulatory scheme in this area makes these cases difficult to handle even under the most favorable conditions, but the additional necessity of litigating questions of interim relief makes them unusually burdensome.

The Section's workload is also being increased by the growing tendency on the part of the courts to ask the Government to file briefs in cases to which it is not a party. Whereas the Section had to prepare only one such brief for the Supreme Court in its 1961 term, it was asked to prepare five in the most recent (1963) term. Moreover, this trend, heretofore limited to the Supreme Court, appears to be developing in the courts of appeals; during fiscal year 1964, for the first time, the Civil Division was asked to participate in a second circuit case to which it was not a party.

Despite the growing pressures of its workload, the Section continued to enjoy a high degree of success. In fiscal year 1964, the Supreme Court passed on 72 cases in which briefs in opposition to certiorari were prepared by attorneys of the Appellate Section. Certiorari was denied in 65 of these cases. The Section attorneys prepared 10 briefs on the merits in cases decided during the year in

the Supreme Court, 9 of which were decided favorably to the Government. They also prepared five petitions for certiorari during the year.

A total of 319 Civil Division cases were decided during the year by U.S. courts of appeals, and 264 of these decisions were in favor of the Government. The Appellate Section attorneys briefed and argued the great majority of these cases. The Section attorneys usually handle appeals on behalf of the Government from the adverse decisions of the district courts. They were able to obtain reversals in 80 percent of the cases appealed by the Government.

Foreign litigation cases

	Actual			Estimated	
	1962	1963	1964	1965	1966
Workload data:					
Cases pending July 1	232	237	240	201	201
New cases received	117	63	71	100	100
Cases terminated	112	60	110	100	100
Cases pending June 30	237	240	201	201	201
Man-years, attorneys	2	1.4	1	1	1

The Foreign Litigation Unit is responsible for the supervision of suits brought by and against the United States in the courts of foreign countries. Of the 201 cases pending at the end of 1964, (1) 123 cases in 21 countries assert claims against the United States or its instrumentalities totaling $6,400,000, (2) 62 cases in 14 countries claim $4,500,000 on behalf of the United States, and (3) 16 "internal immunity" cases, involve Department of State recognitions of immunity from suit on behalf of foreign governments or diplomatic personnel.

At the present time this Unit is also handling six requests from foreign tribunals for judicial assistance. It provided assistance in 26 such requests during 1964 and the passage of Public Law 88–619, empowering Federal district courts to be more liberal in entertaining international requests for judicial assistance, will substantially increase the workload of the Unit.

In the 7 years from fiscal year 1957 to fiscal year 1963, the Civil Division has paid foreign counsel fees amounting to more than $304,000. Thus, the average annual expense for such fees has been $43,000. Only $35,000 has been allotted for foreign counsel fees in fiscal year 1965 even though there is no basis for anticipating a decrease in the number of new cases. In fact, a substantial increase in the Division's expenditures for foreign counsel can be expected to result from the serious decline in the shipping business. This decline is causing the bankruptcy of marginal American carriers, is stranding Government cargo throughout the world, and is requiring extensive repatriation of American crews. Foreign counsel fees of $22,000 were incurred in fiscal year 1964 following the collapse of the Kulukundis shipping empire, and in the first month of fiscal year 1965 two more shipping company failures have been referred to the Division for appropriate legal action. The litigation costs arising from these two referrals alone could consume our entire allotments for fees of foreign counsel in fiscal year 1965.

Workload, Civil Division

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	16,399	[1] 14,710	13,544	[2] 11,631	12,337
Received	9,768	9,814	11,424	10,426	10,644
Terminated	[3] 11,448	10,980	11,199	9,720	9,837
Pending end of year	14,719	13,544	13,769	12,337	13,144
Matters: [4]					
Pending beginning of year					
Received					
Terminated					
Pending end of year					

[1] Corrected figure.
[2] 2,138 cases dropped because of delegation of authority to U.S. attorneys.
[3] 1,208 cases closed under delegation order.
[4] Separate statistics not maintained since claims or complaints usually are referred by other Government agencies and develop into cases.

INCREASE REQUESTED

Mr. ROONEY. It is indicated that the request is in the amount of $4,571,900, which would be an increase of but $3,800 over the adjusted appropriation for the current fiscal year.

Page 14–4 lists the amounts requested and apparently they are all statutory; is that right?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. You do not belong to the club?

Mr. DOUGLAS. The Budget Bureau cut us back fairly substantially.

Mr. ROONEY. $24,100; right?

Mr. DOUGLAS. That is correct. It is going to be tough.

Mr. ROONEY. Did they tell you what the theory was?

Mr. DOUGLAS. The theory was that we had——

Mr. ROONEY. Too high a grade structure?

Mr. DOUGLAS. Too high a grade structure.

Mr. ROONEY. Mr. Brown, you are seeking to put in a promotion plan in the Tax Division?

Mr. BROWN. The Department is seeking to put in a promotion plan.

Mr. ROONEY. Apparently our work has been done.

Mr. DOUGLAS. The Budget Bureau was pretty effective.

ACTIVITIES OF CIVIL DIVISION

Mr. ROONEY. Do you wish to briefly tell us about your Division, how you find things and generally what you are doing? They tell us you are working hard down there. These things sometimes come to our knowledge on the Hill.

Mr. DOUGLAS. Thank you, Mr. Chairman.

Mr. ROONEY. The good news comes up here with the bad.

Mr. DOUGLAS. I am not sure the message got across to the Budget Bureau. We do not have any particular policy missions to perform, Mr. Chairman. We just try to represent our Government clients as effectively and as fairly as we can. We have no basic control over the cases that come in to us. We have been faced with more important cases, more money involved, and increasingly complex litigation. At the end of fiscal 1964, we had a caseload which was approximately $108,000 per case. We have got new fields and complicated fields of litigation opening up but we are going to do the best that we can with what the Budget Bureau suggested we receive.

Mr. ROONEY. Looking at page 14–30, Mr. Attorney General, it would appear, or it might appear, that the Bureau of the Budget took into consideration that this dropping workload table in arriving at the decision it made on the $24,100.

Mr. DOUGLAS. I do not believe so because that dropping workload was achieved with blood, sweat, and tears on our part.

The cases that have been delegated are cases that are relatively unimportant.

Mr. ROONEY. Do not tell us there has been a new adjustment of workload figures here?

Mr. DOUGLAS. Not in the past fiscal year, but at the start of this year we did delegate the U.S. attorneys 2,138 cases. Those were cases under $5,000. The average actual dollar amount involved in those cases was about $1,600.

Mr. Chairman, we did that for basically three reasons: First, we wanted to cut down on the amount of paper shuffling that we had to engage in to supervise these cases, or that the U.S. attorneys had to engage in; sending letters and memos back and forth on cases that were not particularly important.

Secondly, we wanted to concentrate more on our important cases that we have to take primary responsibility for.

Finally, we were getting so many more cases we felt we could not keep our heads above water unless we brought the delegations a little more up to date.

I might add that, forgetting about the delegations, we closed more cases last year than in any of the previous 7 years.

REPATRIATION CASES

Mr. ROONEY. By the way, referring to this foreign counsel fee item on page 14–29, you say that, "the decline (in the shipping business) is causing among other things the stranding of Government cargo throughout the world and is requiring extensive repatriation of American crews."

I am under the clear impression that the Department of State has an office over there which handles the repatriation of American crews and this matter of stranded Government cargo.

Mr. DOUGLAS. We do not pay for repatriation, Mr. Chairman.

Mr. ROONEY. What, if anything, do you have to do with it?

That is the function of the State Department?

Mr. DOUGLAS. We have to hire foreign counsel——

Mr. ROONEY. Incidentally, they have a very efficient office in this regard because I have come across instances of this.

Mr. DOUGLAS. We have to hire foreign counsel to handle particularly Government cargo that gets stranded overseas.

Mr. ROONEY. You mean you have to hire counsel to repatriate American crews?

Mr. DOUGLAS. I am not sure whether we spend any money on that item or not.

Mr. ROONEY. I am sure not.

Mr. DOUGLAS. Not on repatriation, but we may have——

Mr. ROONEY. Do you want to strike that? Your scenario writer got a little afield?

Mr. DOUGLAS. Could I check that?

Mr. ROONEY. Surely.

Mr. DOUGLAS. And let you know?

We did have this *Kulukundis* case with cargo stranded in both Egypt and India. It may be that I could run that down quite quickly.

(The following was subsequently submitted:)

Foreign counsel fees relating to the repatriation of American seamen are incurred when the Justice Department intervenes in lawsuits abroad to assert, as preferred claims against stranded vessels, the repatriation expenses borne by the Department of State.

ALIEN PROPERTY ACTIVITIES

MONDAY, MARCH 1, 1965.

WITNESS

JOHN W. DOUGLAS, ASSISTANT ATTORNEY GENERAL

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	489	501	250
11.3	Positions other than permanent	42	34	13
11.5	Other personnel compensation	4	5	
	Total personnel compensation	535	540	263
12.0	Personnel benefits	39	34	20
21.0	Travel and transportation of persons	9	11	6
23.0	Rent, communications, and utilities	30	30	21
24.0	Printing and reproduction	1	2	1
25.1	Other services	13	14	2
25.2	Services of other agencies	5	7	4
25.3	Payment to "Salaries and expenses, general administration," Justice	50	50	50
26.0	Supplies and materials		1	1
31.0	Equipment	1	1	1
93.0	Administrative expenses included in schedule for funds as a whole	−683	−690	−369
	Total obligations			

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	48	46	21
Full-time equivalent of other positions	6	5	2
Average number of all employees	53	51	23
Average GS grade	9.8	9.7	10.5
Average GS salary	$10,438	$10,654	$11,614

Program and financing

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate
Program by activities:			
Management and liquidations (costs—obligations)	683	690	369
Financing:			
Unobligated balance lapsing	7		
Limitation	690	690	369

Mr. ROONEY. Before we adjourn for the day we shall take one further item entitled "Alien property activities" which is also in Attorney General Douglas' bailiwick.

This appears at page 89 of the committee print and under tab 31 of the other justifications book.

We shall at this point insert in the record pages 31–1 through 31–18 of the book.

(The pages follow:)

Office of Alien Property

Limitation, 1965	$690,000
Estimate, 1966	369,000
Decrease	321,000

AMOUNT REQUESTED

It is estimated that the operation of the Office of Alien Property and related functions will require an authorization of $369,000 for the fiscal year 1966. The amount of $690,000 was authorized for 1965.

EXPLANATION OF ESTIMATE BY ACTIVITY

1. Functions of the Deputy Director

The Deputy Director exercises managerial control of the Office of Alien Property staff, and in addition performs the substantive functions concerning the handling and disposition of alien property which are required by the Trading With the Enemy Act. In the course of supervising the liquidation of assets, the processing of claims, the handling of litigation and the auditing and accounting functions performed by the staff, the Deputy Director authorizes sales of property, accepts or rejects bids, issues licenses, reviews hearing examiner decisions on claims, allows or dismisses claims, and determines questions of national interest under the act. The Deputy Director's major functions concerning work not performed by the Claims, Litigation, Comptroller's, or Liquidation Units consist of—

(*a*) *Foreign funds control.*—A program for denying the use of money and property held in the United States to persons in those Iron Curtain countries which have not made adequate financial settlements on behalf of U.S. citizens who suffered damage from war or expropriation measures. As of June 30, 1964, Treasury held for OAP distribution 663 blocked accounts containing $597,945 of formerly vested funds respecting Hungary, Rumania, and Bulgaria. Private custodians hold other millions subject to OAP blocking controls. This function is, in effect, a minor claims program in which decisions to license use of the funds (about 100 licenses per year), or to return unblocked funds after State Department has negotiated political settlements with the countries involved, require proof of ownership and interpretation of the laws of descent of foreign countries. As part of this function licenses are issued annually (about $100,000 per year per country) to maintain the governments-in-exile of Latvia, Lithuania, and Estonia. Since this function will be continued for some years, it will have to be transferred to some other Government agency.

(*b*) *Intercustodial disputes with foreign countries.*—Under agreements made with Britain, Belgium, Canada, Denmark, Luxembourg, the Netherlands, and Norway pursuant to Public Law 81–857 and Executive Order 10244 (May 17, 1951) provision was made for the division of external German assets claimed by two or more allies. The conflicts involve 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. These matters are concluded by settlements in accordance with the basic agreements negotiated with representatives of the foreign countries involved. This function will be terminated about the end of fiscal year 1965.

(*c*) *Legislation.*—The Office annually reports to the Congress on about 15 private bills and other more general legislation affecting OAP and Foreign Claims Settlement Commission activities.

(*d*) *Claims and orders.*—Each claim processed in the Claims Unit ultimately comes before the Deputy Director for allowance or rejection. His decision on questions of law or fact is final with respect to certain claims, and is a recommended decision with respect to so-called excepted claims (generally those over $50,000 and those heard by a hearing examiner) which are reviewed by the Director and the Attorney General. The Deputy Director also issues divesting orders in matters similar to the handling of claims allowances. About 300 claims and orders will probably be processed to decision during 1965.

2. Claims Unit

The Claims Unit has the responsibility for processing title claims for the return of vested property filed under sections 9(a) and 32 of the Trading With the

Enemy Act, as amended, and section 207 of the International Claims Settlement Act, as amended. It also has the responsibility for processing claims for payment of debt owed by the prevesting owners of vested property filed under the provisions of section 34 of the Trading With the Enemy Act, as amended, and section 208 of the International Claims Settlement Act, as amended. In addition, the Claims Unit is responsible for initiating the divestment of property vested under provisions of both the above acts which was owned directly on the date of vesting by natural persons who were then residents of Bulgaria, Hungary, and Rumania.

To carry out its responsibility this Unit, upon filing of a title claim or debt claim, must assemble and correlate the necessary and available documentary evidence which almost invariably includes foreign records and documents pertaining to complex business and testamentary affairs. After review and analysis of these records a tentative decision to allow or disallow the claim is processed by the preparation of various documents required by established rules of procedure. Where controverted questions of fact persist, the claim is referred to a hearing examiner where the work then performed on it by staff attorneys is identical to that performed in the handling of court litigation.

(*a*) *Claims.*—On July 1, 1964, there were pending 164 title claims, 16 debt claims and 50 applications for the divestment of satellite (Iron Curtain countries) property or a total of 230 claims valued in excess of $25 million.

It is reasonably certain that most of these claims will be closed during fiscal year 1965. There will remain, however, 14 claims, filed by the Czechoslovak Government and Czechoslovak corporations, which present difficult questions of eligibility and cannot be processed until the receipt of instructions from the State Department which State may not be prepared to give until fiscal year 1966.

(*b*) *Austrian Treaty and "Schneider" case reopened matters.*—A substantial number of formerly closed claims will be reopened for further consideration during fiscal 1965 as a result of the Austrian Assets Agreement of January 30, 1959, which was ratified by the Senate on February 25, 1964. The agreement authorized the return of any property determined to be Austrian and which is claimed by Austria within 1 year from May 19, 1964, the effective date of the agreement. Ninety-seven claims were reopened during 1964 for further consideration under the agreement. It is anticipated that 50 additional claims will be reopened within the period of limitation and that about 25 of these matters will remain open for processing during fiscal 1966. In addition, the recent decision of the Supreme Court in *Schneider* v. *Rusk* (May 18, 1964) nullifying section 352(a)(1) of the Immigration and Nationality Act of 1952 may result in the reopening of some claims filed by naturalized American citizens who were expatriated under section 404(b) of the Nationality Act of 1940 because of prolonged residence abroad. These claims were dismissed on the ground of ineligibility under applicable provisions of section 32 of the act. We estimate that about 50 reopened claims in this category will be considered for processing during fiscal 1966.

It is anticipated that 40 of the pending applications for divestment under Public Law 285 will be closed during fiscal year 1965 and that the processing of the remaining 10 applications will run over into fiscal year 1966.

Following is a statistical study of the Unit's workload:

	Actual		Estimate	
	1963	1964	1965	1966
Title claims:				
Pending beginning of year	556	345	164	14
Received or reopened	24	5	5	0
Terminated	235	186	155	14
Pending end of year	345	164	14	0
Debt claims:				
Pending beginning of year	284	189	16	----------
Received or reopened	2	0	0	----------
Terminated	97	173	16	----------
Pending end of year	189	16	0	----------
Satellite assets divesting orders:				
Pending beginning of year	112	135	50	10
Received	87	14	10	0
Terminated	64	99	50	10
Pending end of year	135	50	10	0
Treaty and *Schneider*, case returns (new):				
Pending beginning of year	0	0	97	75
Received or reopened	----------	97	100	25
Terminated	----------	0	122	100
Pending end of year	----------	97	75	0

NOTE.—8 attorneys are presently assigned to this work.

8. Litigation unit

The primary responsibility of the Litigation Unit is representation of the Attorney General's interest in vested enemy property in litigation in the Federal district courts, and in probate, estate, and trust litigation in the various State courts of first instance.

(*a*) *Estates and trusts litigation.*—When estates and trusts are vested the Attorney General succeeds to the rights of the former owners. The litigation in which the staff becomes involved is identical to the litigation the former owner would become engaged in to protect his interests. As is typical of such probate or surrogate court litigation, the issues involve the extent of the interest vested, the validity of periodic or terminal accountings by trustees, the need to file accountings and make distributions, and the propriety of legal or trustees' fees.

These matters are referred to U.S. attorneys for handling in court wherever such reference is practicable. Close supervision is necessary by the litigation staff since most of these cases require specialized legal training in matters relating to (*a*) interpretation of the Trading With the Enemy Act, (*b*) future interests, and (*c*) complicated accounting problems. In most cases the pleadings and briefs must be prepared in the Litigation Unit and detailed instructions given at each stage of the case. In particularly difficult cases the staff of the Litigation Unit conducts or participates in the actual trial.

A statistical summary of the estates and trusts cases is as follows:

	Actual		Estimate	
	1963	1964	1965	1966
Judicial proceedings pending beginning of year	107	78	39	24
Received	6	2	7	5
Terminated	35	41	22	14
Pending end of year	78	39	24	15

(*b*) *Federal court litigation.*—As of July 1, 1964, there were 27 Trading With the Enemy Act cases and 1 International Claims Settlement Act of 1949 case pending in the Federal district and appellate courts, and 2 cases in the Court of Claims.

Under the Trading With the Enemy Act, litigation generally is of two types: (1) Section 9(a) proceedings involving suits in the Federal district courts which seek the return of property vested by the Attorney General, and (2) section 17 proceedings which are suits by the Attorney General to reduce vested property to possession. Approximately $10 million worth of property is involved in these suits.

The section 17 actions in which the Attorney General is plaintiff seek to secure compliance with vesting orders so that the Liquidation Unit can take possession of the vested assets, convert them to cash, and deposit the cash to the credit of the war claims fund.

A summary of the Federal court litigation is as follows:

	Actual		Estimate	
	1963	1964	1965	1966
Pending beginning of year	74	38	[1] 30	16
Received	6	6	4	2
Terminated	42	14	18	13
Pending end of year	38	30	16	5

[1] The *I.G. Chemi (Interhandel)* case, included in this total of 30 cases, is going through the terminal stages of litigation and settlement and still requires some effort from the staff of the Litigation Unit. The case involves the issue of ownership of approximately 93 percent of the stock of General Aniline & Film Corp. The stock has a book value of approximately $150,000,000 and an even higher market value. It was seized under the Trading With the Enemy Act in 1942 on the ground that it was owned and controlled by an enemy alien, the German chemical cartel, I.G. Farben. The case was settled by a stipulation entered in the record in the district court, the stipulation requiring the Attorney General to consider the advice of an advisory committee on the terms and conditions for sale of the stock involved. The advisory committee has met, and after the Attorney General passes on its recommendations the sale will take place. It is estimated that the sale will be consummated during the spring of 1965.

(c) *Support in Europe.*—The requirement for a considerable amount of investigation and legal work to be performed in Europe continues. This function can largely be performed by the one attorney who is presently headquartered in Munich, Germany. By arrangements made with the Chairman of the Foreign Claims Settlement Commission, part of the time of this attorney will be devoted to Commission work, and the Commission will reimburse the Office of Alien Property for 50 percent of its European office expenses.

4. Comptroller's Unit

The Comptroller's Unit is responsible for the maintenance of all accounting records and performs all auditing functions pertaining to property vested under the Trading With the Enemy Act, as amended, International Claims Settlement Act, Philippine Property Act, and properties delivered to the Office for safekeeping.

The Comptroller's Unit performs OAP's final function in the task of liquidation of the Office. In its 22-year history the Office has established about 62,000 alien accounts. As of this writing there remain about 3,400 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 31,000 of the 62,000 accounts were handled and closed in this manner, and most of the remaining 3,400 accounts will be similarly disposed of.

It is believed the workload of this Unit can be handled efficiently by the present staff of four accountants and two clerks.

Summary of the various major functions performed by the Comptroller's Unit

	Actual		Estimate	
	1963	1964	1965	1966
Accounts pending beginning of year	6,912	4,954	3,337	1,442
Received	10	10	5	0
Closed	1,968	1,627	1,900	1,412
Accounts pending end of year	4,954	3,337	1,442	30
Cash receipts transactions processed (dollars involved)	($2,146,000)	($2,607,000)	($141,250,000)	($3,700,000)
Credit and release advices processed	30	45	50	50
Vested property vouchers processed	232	338	350	300
Vesting, divesting, and amendatory orders processed	17	4	20	0
Accounts audited:				
Title and debt claims	1,115	1,712	1,663	114
International Claims Settlement Act accounts	63	64	29	10
Intercustodial conflict accounts	6	39	66	0
Divestments under Public Law 87-846	33	89	30	0
Unclaimed accounts prior to transfer to War Claims Fund	1,207	195	1,500	1,100
Internal Revenue Service tax determinations reviewed and approved	98	95	175	175
Vested business enterprise books maintained	12	12	12	5

5. Property Liquidation Unit

This Unit collects, administers, and liquidates property vested by the Attorney General under the Trading With the Enemy Act. The property includes interests in estates, trusts, insurance contracts, securities (stocks and bonds), business enterprises, real property, tangible personal property, debts, copyrights, patents, and trademarks.

(*a*) *Trusts and estates.*—The workload pertaining to vested interests in estates, trusts, and insurance contracts involves the review of accountings, distributions, and periodic remittances by fiduciaries relating to life interests, remainder interests, annuities, and legacies. It is through the estates and trusts vestings that additional property such as securities, personalty, and real estate continue to be received.

The divestment provisions of section 205 of Public Law 87-846 (October 22, 1962) authorized the divestment of interests in estates, trusts, insurance contracts, etc., which were not payable or deliverable to the Attorney General, nor vested in possession in him, prior to December 31, 1961. It requires the Attorney General to give notice of divestment to former owners or custodians of the divested interests. The notice cannot be given until the Unit's knowledge of the facts controlling divestment (i.e., deaths of life tenants, births of remaindermen, sales or conversion of property, etc.) is brought up to date. Then each affected estate or trust must be reviewed to determine whether the interest will be retained or divested and information respecting the named beneficiaries' criminal record must be obtained since the statute prohibits divestment in favor of war criminals. As of July 1, 1964, there remained 205 open cases involving interests in estates, trusts, or insurance policies. Since the divesting program began in 1963, about 300 divestment notices have been issued.

(*b*) *Securities.*—With respect to securities (stocks and bonds) which become the property of the Attorney General, the Unit arranges for the issuance of new certificates in proper form and arranges for deposit of these new securities in the Federal Reserve Bank of New York for custodial purposes. The Unit sells such property on the open exchange, by advertised public sale, or by negotiation. It returns securities as required by intercustodial agreement, claim procedure, or judicial decree.

A considerable amount of securities work remains to be done. One group of 84 blocks of foreign and domestic securities worth about $900,000 are kept for OAP by the Federal Reserve Bank of New York pending disposition. Fourteen of these eighty-four blocks are Canadian securities involved in intercustodial conflicts with Canada.

Another group of about 150 items of miscellaneous securities cannot be valued short of offering them for sale. These represent the residue of 20 years of operation during which no acceptable market for the securities was developed.

Some of these securities may be worthless, and many of them relate to obscure companies which are difficult to find.

(c) *Business entities.*—The Unit liquidates business enterprises, corporate or otherwise, in which the Attorney General either owns all of the stock, is the controlling stockholder, or has vested all the assets of the enterprise. The staff of the Unit serves as officers and directors of such corporations and as managers of the other enterprises, and performs all the functions required by Office of Alien Property procedures or State law to complete the liquidation and dissolution of them.

There are 12 such enterprises remaining to be liquidated, and it is estimated that $600,000 to $900,000 will be recovered from their final liquidation. Not all of the enterprises can be liquidated immediately. Five of them, for example, are involved in litigation.

In addition to the liquidating business enterprises the Attorney General holds a substantial stock interest in two corporations. He holds about 93 percent of the capital stock of General Aniline & Film Corp., an industrial enterprise currently doing an annual business of approximately $178 million. The sale of these securities is scheduled to occur during fiscal year 1965 and will require some work by the Office of Alien Property staff. These securities represent the largest asset ever vested. The other holding is a 23 percent stock interest in a small corporation, the shares of which are the subject of Federal litigation.

(d) *Real and personal property.*—The Unit administers and sells all vested real and personal property. It collects rents and pays taxes and other expenses incidental to the management of real property. It also collects royalties on mineral leases.

Included in the OAP assets are 4 parcels of real property, 15 mortgages and mineral rights leases, and 6 lots of personal property. The estimated realizable value of these 25 items is $525,000; a conservative estimate based on the value at the time of acquisition. One lot of personalty, consisting of paintings by recognized artists and other works of art, has alone been estimated to have a current market value of $500,000. These assets will be sold so the proceeds can be placed to the credit of the War Claims Fund. At least four lots of personal property may require legislation in order for final disposition to be made.

(e) *Miscellaneous.*—There are several miscellaneous tasks which require effort of the Liquidation Unit. There are about 35 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 without resort to litigation. Such matters most often are settled or closed short of litigation, and all should be closed during fiscal year 1965. There are also about 500 accounts containing cash or unliquidated property on which no vesting orders were ever issued but which was turned over to the Office for safekeeping. Over 275 of the accounts contain funds or property formerly owned by persons who are neither German nor Japanese. There is a statutory prohibition against the return of property to nationals of Germany and Japan. These nonenemy accounts may be returned or divested to the former owners if they can be found and their ownership validated. The balances in the German and Japanese accounts will probably be transferred to the War Claims Fund.

Another task of considerable proportions for this Unit is that of responding to requests for information on closed accounts. Under the Bonn Convention of 1955 the Federal Republic of Germany, in lieu of reparations payments, undertook to hold the United States harmless against the claims of German citizens arising out of OAP vestings. That Government is still considering honoring such claims itself. The German Embassy, on behalf of its citizens, seeks information or verification from OAP of the nature and amount of property and funds OAP actually vested and which German nationals now claim. Other correspondents are attorneys, or the claimants themselves. Numerous inquiries are received from Congressmen whose constituents are friends or relatives of German nationals. These are matters of serious concern respecting which OAP alone possesses information.

The statistical analysis of the workload of this Unit is as follows:

	Actual		Estimate	
	1963	1964	1965	1966
Estates and trusts and insurance contracts: [1]				
Pending, beginning of year	476	399	205	70
Received	0	0	0	0
Terminated	77	194	135	55
Pending, end of year	399	205	70	15
Amount collected	$613,900	$1,635,426	$500,000	$250,000
Securities (stocss and bonds): [2]				
Pending, beginning of year	236	123	84	15
Received	12	58	10	0
Terminated	125	97	79	15
Pending, end of year	123	84	15	0
Amount collected	$841,700	$390,000	$100,000	$50,000
Business enterprises: [3]				
Pending, beginning of year	18	17	14	5
Received	2	0	0	0
Terminated	3	3	9	5
Pending, end of year	17	14	5	0
Amount collected	$85,000	$130,000	$60,000	$35,000
Real and personal property: [4]				
Pending, beginning of year	19	18	25	4
Received	2	52	12	0
Terminated	3	45	33	[5] 4
Pending, end of year	18	25	4	0
Amount collected	$17,000	$239,000	$190,000	----------
Copyright interests: Prewar contracts: [6]				
In force beginning of year	387	1	1	1
Received	0	0	0	0
Terminated	386	0	0	0
In force end of year	1	1	1	1
Amount collected	$73,295	$13,836	$4,000	$3,000
Licenses issued after vesting: [7]				
In force beginning of year	409	9	10	10
(Applications received)	(47)	(16)	(5)	(0)
Licenses issued	27	1	6	0
Terminated	427	0	6	5
In force end of year	9	10	10	5
Amount collected	$117,283	$5,645	$100	0

[1] Each estate or trust is 1 item regardless of the number of persons whose interest has been vested in that estate or trust.
[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] To be eliminated by legislation.
[6] 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.
[7] Licenses issued by this office for use of a copyright interest on property previously vested.

The items in the "Terminated" column under the year 1963 include both those contracts and licenses which were terminated by their terms or by the effect of the divestment statute (Public Law 87-846). It should be noted, however, that a considerable number of the terminated contracts and licenses have not been audited. Audits will be required in order to assure that a full return has been made to the Attorney General for the rights involved.

The contracts and licenses remaining in force as of June 30, 1964, refer to copyrights specifically exempted from the divestment statute. They include the American rights to the publication of Hitler's "Mein Kampf."

DECREASE IN APPROPRIATION REQUEST

Mr. ROONEY. These pages indicate that the request is in the amount of $369,000 which is a decrease of $321,000 below the fiscal year 1965 amount.

What do you wish to say about this, Mr. Attorney General?

Mr. DOUGLAS. The budget we are asking for is cut in half over what we are getting this year. We expect to wind up this office on schedule, June 30, 1966. We have made progress during this past fiscal year which leads us to expect that we can meet our target date.

Our personnel under this budget will be cut from 46 to 21.

Mr. ROONEY. When you made the statement about closing this out by June 30, 1966, did you mean there would not be any alien property cases yet to be handled by the Department of Justice?

Mr. DOUGLAS. There will be probably some cases to be handled but who will pay for their handling will have to be worked out with the committee next year.

I would hope that we can work out an arrangement whereby the Department could be reimbursed by the Foreign Claims Settlement Commission. But the cases will be fewer in number and we do not intend to have anybody working full time on alien property matters.

Mr. ROONEY. After June 30, 1966?

Mr. DOUGLAS. That is correct.

Mr. ROONEY. In the coming fiscal year, you expect to have 21 people working on such matters?

Mr. DOUGLAS. That is right, Mr. Chairman.

Mr. ROONEY. Very well. Thank you, Mr. Attorney General.

We shall adjourn until 10 o'clock tomorrow morning.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

LANDS DIVISION

TUESDAY, MARCH 2, 1965.

WITNESSES

J. E. WILLIAMS, ACTING ASSISTANT ATTORNEY GENERAL
H. D. ROGERS, ADMINISTRATIVE OFFICER

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

The first item to which we shall direct our attention this morning is entitled "Lands Division." The details are to be found under tab 15 of the justification book.

We shall at this point in the record insert pages 15–1 through 15–12.

(The pages follow:)

Lands Division

Appropriation, 1965	$3,678,000
Transfer to GSA for rent	3,000
	3,675,000
Proposed pay act supplemental	129,600
Appropriation adjusted, 1965	3,804,600
Estimate, 1966	3,810,100
Increase	5,500

The Assistant Attorney General in charge of the Lands Division supervises all suits and matters of a civil nature relating to lands and real property. This includes condemnation proceedings for the acquisition of property, actions to remove clouds and to quiet title, to recover possession, to recover damages, to determine boundaries, to cancel patents, to set aside ad valorem taxes and tax sales, to establish and protect rights in minerals and in other natural resources, to establish and protect water rights, to defend actions for compensation for the claimed taking by the United States of land or any interest in land, and to defend actions seeking to establish an interest in real property adverse to the United States. The Lands Division also is charged with representing the interests of the United States in all civil litigation pertaining to Indians and Indian affairs,

including the defense of Indian claims against the United States, whether in the Court of Claims or before the Indian Claims Commission. It defends officers of the United States, handles injunction and mandamus proceedings and litigation arising from contracts where those matters affect the rights of the United States in the use or title of real property.

With certain exceptions specified by statute, the Lands Division passes upon the title to all lands acquired by the United States by direct purchase.

AMOUNT REQUESTED

The Lands Division will require an appropriation of $3,810,100 for the 1966 fiscal year for the compensation of personnel and other expenses. This is an increase of $5,500 over the amount available for the 1965 fiscal year.

This increase is required for the following purposes:

Additional cost in 1966 of 1964 Pay Act	$1,400
Within-grade promotions, 1966 fiscal year	11,200
Limitation on number of positions GS–14 and above	−11,300
Personnel benefits	4,200
Total	5,500

Details of request

The Division is requesting 220 positions for the 1966 fiscal year which is the same number as was authorized for the 1965 fiscal year. However, it is a decrease of 10 percent or 24 positions from the 244 positions available in 1964.

Workload

A. Land acquisition.—During the 1964 fiscal year, the Lands Division received 22,822 tracts of land for acquisition by either direct purchase or condemnation proceedings. This is the highest level since 1944. Despite the increase in new work, the Division closed 27,462 tracts. The average closings for the period 1946–1960 was 15,269 tracts per year. The closings for the 1964 fiscal year are an increase of 80 percent over the average for the above period. This was accomplished without an increase in the authorized positions over the previous fiscal year. It is anticipated that the closing rate will be reduced in the 1965 fiscal year and future years, but that a continued reduction in tracts pending in condemnation can be achieved during fiscal year 1966 and the next several years. A concentrated effort has been and will continue to be made to increase the proportion of tracts acquired by direct purchase (particularly low-valued tracts) as compared with those which are condemned. This will not only enable the transactions to be closed more quickly but will be a large contributing factor in reducing congestion in the courts as well as eliminating a substantial interest liability and the expense of litigation.

The tracts closed during the 1964 fiscal year involved the acquisition of 1,530,086 acres of land. The cost of this land amounted to $191,260,285.83.

As of June 30, 1964, the number of tracts pending in condemnation cases and for direct purchase amounted to 21,116 which is 4,640 less than the number pending on June 30 of the previous year. This is a decrease in pending work of 18 percent. Of these pending tracts, 15,747 were in condemnation affecting 990,091.12 acres for which there remained on deposit in the courts $61,520,694.57. The number of pending condemnation tracts decreased by 5,610 over the previous year. This is a 26-percent decrease in pending condemnation tracts. However, it is a decrease of 13,612 from June 30, 1962, or 46 percent and is the lowest level in 20 years.

In the 1964 fiscal year, the Division deposited $86,287,565.77 in the registries of the courts or an average of $331,875.25 for each working day of the fiscal year. The disbursements for the year amounted to $86,782,637.86 or an average of $333,779.38 for each working day. The amount of interest paid during the 1964 fiscal year on deficiency judgments in condemnation proceedings closed other than by settlement, was $1,165,954.66 or an average of $4,484.44 for each working day. The accelerated disposition of condemnation tracts is partially responsible for a reduction of the 6-percent interest cost on deficiency judgments. During the fiscal year, this was reduced by $1,415,929 or 55 percent.

There is attached as exhibit No. 1 a statement which shows for the fiscal years 1944 to 1964 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 1964 fiscal year than any year since 1944. It also shows that the tracts closed exceeded any year since 1944 except the 1963 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 1965 and 1966 fiscal years. It is important to note that the estimate specifies 54,450 tracts to be acquired by condemnation or direct purchase, an average of 27,225 tracts per year for the next 2 years, and will be an increase of 4,403 tracts each year over the 22,822 received during the 1964 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, 1964.

B. Indian claims.—Indian claims involved in 423 suits still pending before the Indians 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 423 cases pending in the Indian Claims Section, liability has been determined in 76 cases involving approximately 347,687,420 acres of land. This leaves 347 cases where a decision must be made by the Commission as to whether the Government is liable. In many of these cases it will be necessary to spend large sums of money to hire historians, ethnologists, anthropologists, etc., and in those cases in which the United States has been found to be liable large expenditures for valuation appraisals and expert testimony will be required.

More cases were settled in the Indians Claims Section in 1964 than the combined settlements since the passage of the Indians Claims Commission Act in 1946. During the year 19 cases were settled involving $41,689,251. Although all of these settlements have not been approved by the Commission and reduced to final judgments, it is expected that they will be in the near future. Greater effort will be made to expedite disposition of the remaining cases during the 1965 and 1966 fiscal years.

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 Goverment 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 than the number of this type of case will increase during the 1966 fiscal year.

Another important phase of this work is to 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 $8,131,172.84 during the 1964 fiscal year. This is more than was collected in any 2 previous years in the history of the Division. During the year real property was recovered and protected with an estimated value of $46,660,000. This is more than the amount of property recovered or protected for the past 14 years combined and is the highest year in the history of the Division. Claims defended amounted to $39,260,856.93 on which judgments were allowed in the amount of $2,994,100.09 or 7 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, 1964, where the dollar amount is known, amounted to $221,161,140.

In the General Litigation Section, we closed 668 cases during the 1964 fiscal year, an increase of 24 percent over the previous fiscal year. This is more than the Section closed in any comparable year.

Exhibit No. 4, attached, is a workload statement of the principal litigation sections of the Division for the years 1958 to 1964, 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.

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 1966 fiscal year is the absolute minimum required.

Tracts received, closed, pending—Acres and parcels acquired—Cost, 1944 to 1964 fiscal years, inclusive

Fiscal year	Tracts received	Tracts closed	Tracts pending June 30	Acres acquired	Cost
1964	22,822	27,462	21,116	1,530,086	$191,260,285.83
1963	22,289	32,710	25,756	701,953	149,543,359.20
1962	19,982	23,845	36,177	575,390	145,351,628.95
1961	19,616	17,999	40,040	405,094	116,615,398.79
1960	16,453	17,876	38,423	401,388	128,209,884.82
1959	18,858	16,554	39,846	456,639	107,195,951.52
1958	16,223	15,954	37,542	668,835	84,235,231.00
1957	16,971	15,509	37,273	753,710	59,998,318.00
1956	19,706	13,627	35,811	595,679	63,489,732.80
1955	11,357	13,744	29,732	448,233	60,954,619.48
1954	11,884	13,302	32,119	580,418	78,198,483.41
1953	17,953	20,740	33,537	626,426	74,145,506.79
1952	16,159	16,283	36,324	736,900	91,150,700.00
1951	18,015	14,434	36,448	1,405,745	60,801,140.14
1950	14,389	14,863	32,867	920,718	52,017,868.16
1949	11,777	12,862	33,341	901,039	51,042,903.73
1948	8,386	10,574	34,323	544,706	37,521,612.58
1947	5,865	14,261	36,511	412,510	51,592,302.47
1946	6,089	17,588	44,907	798,673	59,886,212.23
1945	10,466	25,019	56,406	1,318,484	159,177,781.97
1944	26,619	34,823	70,959	1,786,825	114,321,803.91
Total	331,879	390,029		16,569,451	1,936,710,725.78

Estimated land acquisitions by acquiring agencies during 1965 and 1966 fiscal years

Agency	Tracts	Acreage	Estimated cost
Post Office Department	180	180	$19,600,000
Interior—Fish and Wildlife	1,956	310,156	19,794,500
U.S. Coast Guard	17	112	648,000
General Services Administration	775		36,246,000
Department of the Navy	4,342	126,467	3,403,500
Redevelopment Land Agency	1,039	408	29,016,515
Department of Agriculture	462	68,347	1,870,000
Department of the Army and Air Force	33,854		192,184,000
National Aeronautics and Space Administration	506	4,294	10,777,000
Veterans' Administration	10	222	4,250,000
National Capital Housing Authority	162	10	2,350,000
Bonneville Power Administration	4,000		
Bureau of Public Roads	231	1,635	7,635,000
Bureau of Reclamation	5,521	118,430	23,366,050
National Park Service	1,395	98,166	31,060,813
Total	54,450	621,840	382,201,378

Report on cases, tracts, acres pending and balance on deposit for each agency as of June 28, 1964

Agency	Cases	Tracts	Acres	Balance on deposit
Atomic Energy Commission	13	101	1,378.15	$271,753.17
Board of Commissioners, District of Columbia	1	1		307.00
Department of Agriculture	64	187	8,594.09	465,941.15
Department of the Air Force	258	2,278	51,489.97	1,088,109.27
Department of the Army	1,298	8,700	442,593.42	29,508,931.03
Department of Commerce	30	174	571.24	2,737,322.62
Department of the Interior	390	1,812	143,718.18	7,922,121.82
Department of the Navy	70	406	44,372.49	959,584.64
Department of the Treasury	2	3	2.07	1.00
Federal Aviation Agency	20	92	1,232.41	508,206.67
Federal facilities	3	67	64.92	14,485.57
General Services Administration	112	394	63.98	8,924,958.17
National Aeronautics and Space Administration	117	1,170	254,214.64	4,058,485.10
International Boundary Commission	6	135	41,466.35	236,380.16
National Capital Housing Authority				11,375.00
National Capital Planning Commission	4	15	120.86	149,684.75
National Science Foundation	1	2	142.05	
Post Office Department	17	185	1.00	3,837,525.50
Public Housing Administration	3	3		12,261.30
Redevelopment Land Agency				3,160.65
St. Lawrence Seaway Development Corporation	2	14	27.19	20,100.00
Veterans' Administration	2	8	29.11	790,000.00
Total	2,413	15,747	990,091.12	61,520,694.57

Workload 1958 through 1964

	1958	1959	1960	1961	1962	1963	1964
LAND ACQUISITION							
Condemnation tracts:							
Received	6,796	7,276	9,942	10,848	8,663	8,259	6,917
Closed	7,883	8,907	8,989	6,399	11,361	16,261	12,527
Pending (end of year)	28,286	26,655	27,608	32,057	29,359	21,357	15,747
Title tracts:							
Received	9,427	11,582	6,511	8,768	11,319	14,030	15,905
Closed	8,071	7,647	8,887	11,600	12,484	16,449	14,935
Pending	9,256	13,191	10,815	7,983	6,818	4,399	5,369
Total land acquisition:							
Received	16,223	18,858	16,453	19,616	19,982	22,289	22,822
Closed	15,954	16,554	17,876	17,999	23,845	32,710	27,462
Pending	37,542	39,846	38,423	40,040	36,177	25,756	21,116
GENERAL LITIGATION SECTION							
Regular cases:							
Received	445	488	515	484	454	523	624
Closed	397	476	512	488	485	443	622
Pending	703	715	718	714	683	763	765
Housing cases:							
Received	84	173	45	22	51	14	12
Closed	246	147	94	44	39	69	32
Pending	131	157	108	86	98	43	21
Water resources cases:							
Received	18	8	9	16	22	0	44
Closed	9	16	6	12	17	25	14
Pending	104	96	99	103	108	83	113
Indian claims cases:							
Received	39	34	15	6	3	2	5
Closed	13	8	15	13	9	16	15
Pending	437	463	463	456	450	436	426

INCREASES REQUESTED

Mr. SLACK. The request is for $3,810,100, an increase of $5,500 over the adjusted appropriation for the current fiscal year.

Mr. Williams, do you have a statement with regard to this requested appropriation?

Mr. WILLIAMS. Yes, Mr. Chairman.

I would like to say a few words about it. The increase of $5,500 is due solely to statutory requirements and the details of that $5,500 are set forth in the pages already made a part of the record.

The amount we are requesting is otherwise identical with the funds available for the present fiscal year. Those funds will be divided as follows:

Personal services, $2,289,800 and that will provide for a total of 220 positions, being 112 attorneys and 108 clerical employees.

The balance of the appropriation, $1,520,300, will be used for appraisals and expert witnesses, personnel benefits, and other expenses.

The details of those items are shown on the green sheets.

GENERAL STATEMENT

I would now like to discuss our functions a little, in connection with the operations of our several sections.

Our functions have not changed and the Land Acquisition Section, as its name implies, deals with the acquisition of lands, whether by direct purchase in the normal manner or through condemnation proceedings.

Our work in that field continues to be heavy. The Land Acquisition Section now has 45 attorneys and 28 clerical personnel for a total of 73. As of February 19, 1965, and for the present fiscal year up to that time, we have received a total of 13,782 tracts. During that period we have closed 13,781 and there are pending now in the Division a total of 21,117 tracts divided between condemnation, 14,499 tracts, and direct purchase, 6,618 tracts.

The volume of work now pending is a decrease of 13 percent from the volume pending at the same time last year.

During the last several years in the Lands Division, we have concentrated on reducing the backlog in the Federal courts and the elimination of congestion in the Federal courts.

We have approached this problem from two fronts: first, the acceleration of the disposition of cases; secondly, efforts to keep cases out of the Federal courts in the first instance.

On the matter of disposition of tracts, I think we can best illustrate that by stating some more figures. As of June 30, 1961, there were 32,057 tracts pending in condemnation and on February 19, 1965, there were 14,499, a decrease of 17,558, which means a 55-percent reduction in the pending caseload from the start of that period to the present time, despite the fact that during that period 26,481 new tracts were placed in condemnation. Unquestionably, the condemnation tracts in the Federal courts constitute the bulk of all civil litigation in the courts.

I think the reduction in that backlog is quite significant.

As to the second front, the matter of keeping condemnation cases out of court, this can again be illustrated by some simple figures.

In 1960, only 40 percent of the tracts referred to the Lands Division for attention were acquired by direct purchase in the manner of the normal real estate transaction. As of the present time, we are acquiring 80 percent by direct purchase.

It is simply impossible to estimate the savings that have resulted to the Federal Government, as well as to the individual property owners, by eliminating this great mass of litigation, in the savings of interest, and savings of other expenses.

From the standpoint of what the future holds for us, these land-acquisition projects are not initiated by us or sponsored by us. The several land-using agencies of the Government obtain their appropriations from Congress as well as the authorizations to undertake these projects. We act as their service agent from the standpoint of handling the legal work, so that our information as to our future business can be obtained only from these agencies. They have estimated that during 1965, the present fiscal year, and 1966, a total of 54,450 tracts will be sent to us for attention.

We have to date in the 1965 fiscal year received 13,782 tracts, which means that, during the balance of the present fiscal year and during all of the 1966 fiscal year, there will be received by us a total of 40,668 tracts. Our experience has been that these agency estimates are fairly accurate.

Our other large litigating section in the district courts and the Court of Claims is known as our General Litigation Section. This is divided into two Units: the Trial Unit and the Water Resources Unit.

The Trial Unit handles all cases in the district courts other than condemnation cases.

Its attorneys defend the United States against actions for the claimed taking of land, whether in the district courts or in the Court of Claims. They protect the natural resources of the country and handle all sorts of general litigation which naturally flows from the vast landholdings and property interests of the United States represented by military installations, irrigation and flood-control projects, national parks and forest reserves, and the like. As of February 19, that Unit had 909 pending cases.

To illustrate the importance of the work done by this Unit, I would like to say that during the 1964 fiscal year it defended claims filed against the United States in the courts amounting to $39,260,856.

As to those claims, judgments were entered against the United States in the amount of $2,994,100, which is a 7-percent recovery; and on June 30, 1964, there were claims pending in the Court of Claims to be defended amounting to $221,161,000.

That Unit also during the 1964 year collected $8,131,000 in cash, in addition to protecting property of the United States which is valued at something like $46 million.

The other Unit of the General Litigation Section is the Water Resources Unit and it has 119 cases pending.

As its name indicates, the principal business of that Unit is water rights litigation, principally in the Western States.

Those cases are complicated and they are long and drawn out, and the adjudications involve many parties. The value of the protection of water rights to the public domain and to other federally owned properties is simply impossible to estimate.

Our third large litigating section is the Indian Claims Section. There are still pending before the Indian Claims Commission and Court of Claims a total of 421 cases.

I would like to read some figures as to the accomplishment of this Section so that the committee will know what is happening in that field.

As of March 1, 1965, final judgments have been entered in 81 cases for a total of $150,781,561 against the United States.

In those cases, the Indian tribal plaintiffs sought recovery of a total of $503,006,882, so that the judgments in those cases amounted to approximately 30 percent of the amount claimed. There have been dismissed a total of 139 cases and liability has been determined in a total of 80 cases.

As to those 80, of course, the monetary liability of the United States for the bulk of them has yet to be determined and, in most of them, expert witnesses will have to be employed to prepare appraisals for use in settling the cases or, if negotiations fail, for trial purposes.

That completes my statement except to say that in view of the pending and prospective workload of the Division I feel that the amount requested is the very minimum which would permit us to do a respectable job.

GRADE STRUCTURE TOO HIGH

Mr. SLACK. Mr. Williams, on page 15–3 of the justifications, there is a reduction of $11,300 as a limitation on the number of positions, GS–14 and above. Apparently the Budget Director felt that the grade structure was too high; is that a fair statement?

Mr. WILLIAMS. With due deference, I do not think that is a fair statement. I do not think the Budget felt the grade structure was too high. It is my understanding that the Budget required the Departments to freeze their grade 14's-and-up jobs; that is, the several Departments were limited to the number of those jobs which were filled as of a certain date, and I think this was sometime in November.

We had a resignation since that time which created a vacancy and that is why that item is shown in that manner; is that correct, Mr. Rogers?

Mr. ROGERS. That is correct.

Mr. SLACK. It is a question of grade freezing?

Mr. ROGERS. At the time of the grade freezing, we had two vacancies in grade 15 and one was due to a death and one was a retirement. We had not filled the vacant positions at the time the freeze was put on.

Mr. SLACK. However, if the Budget Director had not taken that position, you would have been in here asking for the additional money, would you not?

Mr. WILLIAMS. Those grades would have been part of the total of 220 positions for which we are asking funds.

Mr. SLACK. Mr. Cederberg?

Mr. CEDERBERG. Is the freeze still on?

Mr. WILLIAMS. Yes, sir.

Mr. CEDERBERG. In other words, if you have any more resignations or anyone leaves the Department for any reason, in a grade 14 or above, you are not able to fill that?

Mr. WILLIAMS. No, sir.

We are able to fill those frozen positions but we cannot increase their number.

CHAMIZAL PROJECT

Mr. CEDERBERG. Did your office have anything to do with the Chamizal project in Mexico?

Mr. WILLIAMS. Yes, sir. We will have a great deal more to do with that project.

Mr. CEDERBERG. Could you just outline briefly what your office had to do in this operation?

Mr. WILLIAMS. Yes, sir.

The plan down there is for the United States to acquire this area, which is to be returned to Mexico, and in so doing we will have to pay for the property privately owned and, of course, publicly owned, too, if any is owned by the city or any other public body. Then, when that is done, and it will either be done by negotiation in direct purchase or by condemnation proceedings, but in either event we will function in such cases by approving the titles acquired by the United States and by conducting the condemnation proceedings, the titles so acquired will be conveyed to Mexico pursuant to the treaty.

Mr. CEDERBERG. Do you hire the appraisers?

Mr. WILLIAMS. We will hire the appraisers when the case gets into condemnation, but in the first instance for negotiation purposes the International Boundary and Water Commission will hire their own appraisers. If we do get into condemnation, as to a particular piece of property, we will then look at the appraisers and see whether or not we feel additional appraisers are necessary to act as expert witnesses.

The agency will consult with the local U.S. attorney as to the employment and qualifications of appraisers.

In other words, they will check with the district attorney so that in the event of a judicial contest, the appraisers employed in the first instance will be qualified to act as expert witnesses.

Mr. CEDERBERG. In other words, you will not get into this until litigation becomes involved?

Mr. WILLIAMS. That is correct, except to the extent I have indicated and except for approving the titles, but as to any direct purchase contracts they might enter into we will not participate in the determination of the selling price except under unusual circumstances.

Mr. CEDERBERG. Your office does not determine whether or not the price set on this property by these appraisers hired by the Commission is fair and just?

Mr. WILLIAMS. No, sir; not in the case of direct purchase matters, under normal circumstances.

When they get into condemnation, then we do function in that capacity.

Mr. CEDERBERG. Then you will know?

Mr. WILLIAMS. Yes, sir; at that time.

Mr. CEDERBERG. Are there any indications that there will be any condemnation involved?

Mr. WILLIAMS. Yes, sir. We anticipate that there will be. One of the biggest property owners in that whole project is a railroad company whose lines will all have to be relocated. We hope that it will be possible to enter into a negotiated settlement with the railroad;

if that fails, condemnation will follow. In a complicated project of this sort it is not realistic to expect that amicable settlements, fair to both parties, will be reached as to all interests in the area.

Mr. CEDERBERG. You will be able to handle this project within the limitations of that budget?

Mr. WILLIAMS. Yes, sir.

SPECIAL PERSONAL SERVICE PAYMENTS

Mr. CEDERBERG. You received, roughly, an additional $140,000 for special personal service payments for experts for 1965 over 1964 and you think you have the same amount in there for 1966 that you had last year?

Does this indicate the cost of hiring these has remained steady? What is the reason we gave you $140,000 in 1965 over 1964? Was this for additional work or for additional costs?

Mr. WILLIAMS. No, it was not; but during 1964 we did have more of a backlog of cases to dispose of than we have in 1965.

Mr. CEDERBERG. Did you carry over any funds in this account? Do you anticipate at the end of 1966 to spend the entire $1,070,000?

Mr. WILLIAMS. Yes; but we do not actually know. Of the 80 cases I mentioned in the Indian Claims Section, as to which liability has been determined, there will be approximately 65 of them in which appraisal contracts will have to be entered into at some stage of the game. Just how many of those will be entered into between now and June 30, 1965, I do not know, but there will be some, we anticipate. We do not know how much of that total fund will be used but we do know that a substantial part of it will be used. Up to the present time in this fiscal year there has been very little, comparatively, spent for appraisals on Indian claims cases. The amount spent on other litigation, principally condemnation cases, has been running fairly constant.

If you project to the end of this fiscal year, the average amount spent monthly for expert witnesses and appraisals, I believe the total for the year would be about $800,000.

Mr. ROGERS. The monthly average so far this year is approximately $70,000.

Mr. WILLIAMS. Projected to the end of the fiscal year, at the present rate of expenditures, about $800,000 plus the amount represented by the contracts for the Indian cases which I have mentioned.

Mr. ROGERS. Right.

Mr. WILLIAMS. That means the balance is available for Indian contracts.

Mr. ROGERS. Mr. Cederberg, may I explain this is similar to the fees-of-witnesses appropriation which is also uncontrollable.

It depends an awful lot on the number of cases that are set for trial and that we must have witnesses on. It depends on how many Indian claims cases have liability determined.

Mr. CEDERBERG. Appraisal fees are approximately the same or will be at approximately the same level in fiscal 1966 as in 1965?

Mr. WILLIAMS. If anything, they will be greater. I anticipate increased activity on the part of the Indian Claims Commission. Actually, the Senate Interior and Insular Affairs Subcommittee has scheduled hearings starting next Monday on the Indian Claims Commission operations. I think there is going to be a very marked in-

crease in the disposition of cases and in the number of trials. I am satisfied that next year we will be spending more for Indian claims appraisers than we have spent during this year.

EQUIPMENT COSTS

Mr. CEDERBERG. In your "equipment" account on page 15–15 you received, it shows, $36,894 in 1964 and in fiscal year 1965, you went down to $15,000 and in 1966, it is $15,000.

I assume some of this was nonrecurring where equipment was purchased? What are you going to use this $15,000 for?

Mr. ROGERS. Mr. Cederberg, the $15,000 is for replacement of what actually goes bad during the year.

Mr. CEDERBERG. Normal replacement? Nothing unusual in the area of new equipment such as you had back in 1964?

Mr. ROGERS. That is correct.

Mr. CEDERBERG. This is a normal replacement item that you find necessary?

Mr. ROGERS. Yes, sir.

Mr. CEDERBERG. This has always been a pretty well run shop and I do not think we have bothered you too much.

Mr. WILLIAMS. No; you have been very considerate.

I would like to say this: I think probably the greatest contribution that Assistant Attorney General Ramsey Clark, now Deputy Attorney General, made to the work of the Lands Division was in the field of land acquisition. We shall certainly do our very best to continue the practices and procedures which were established by him and, we hope, with the same degree of success.

Of course, this can only be attained through the continued complete cooperation of all of our personnel here in Washington, and of the U.S. attorneys throughout the United States and their assistants.

Mr. CEDERBERG. That is all I have.

Mr. SLACK. If there are no further questions gentlemen, we thank you very much.

Mr. WILLIAMS. Thank you, sir, and members of the committee.

OFFICE OF LEGAL COUNSEL

TUESDAY, MARCH 2, 1965.

WITNESS

NORBERT A. SCHLEI, ASSISTANT ATTORNEY GENERAL

Mr. SLACK. The next item is that of the Office of Legal Counsel. The details are to be found under tab 16 of the justification book and at this point we shall insert pages 16–1 through 16–4.

(The pages follow:)

Office of Legal Counsel

Appropriation, 1965	$563,000
Proposed pay act supplemental	42,100
Appropriation adjusted, 1965	605,100
Estimate, 1966	609,300
Increase	4,200

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 $609,300 to perform its assigned duties and functions in the fiscal year 1966. This exceeds the amount available for 1965 by $4,200. The additional amount is needed to implement statutory provisions concerning the compensation and benefits of employees, as follows:

Additional cost in 1966 of 1964 Pay Act	$400
Within-grade step increases	3,500
Personnel benefits related to above	300
Total increase	4,200

GENERAL STATEMENT

Predictions as to the workload of the Office of Legal Counsel are difficult because of the special nature of most of its work. The most important, difficult and time consuming of its functions relate to the necessity of assisting the Attorney General in performance of his duties as chief legal adviser to the President and the Cabinet and in providing informal opinions and legal advice to the various Government agencies. The need for such services varies with national and international situations and other unpredictable conditions. Demands upon the Office require the expenditure of many man-hours in consultation with the White House staff, the Bureau of the Budget, and with the various Government departments and agencies. Since it is impracticable to forecast any major changes in the workload, the 1966 budget request merely provides for continuing the Office at its present level.

	Actual			Estimated	
	1962	1963	1964	1965	1966
Executive orders	145	140	109	125	125
Opinions	147	95	131	100	100
Intradepartmental opinions	384	474	339	350	350
Gifts and bequests	64	68	74	74	74
Special assignments	1,468	2,065	1,614	1,500	1,500
Conscientious objector cases	482	419	565	600	600
Office of Administrative Procedure:					
Interagency studies and opinions	3	37	102	50	50
Agency rulemaking studies	0	23	37	20	20
Special assignments	[1] 821	[1] 401	172	380	380

[1] Includes figures for Administrative Procedure Conference (Office of Administrative Procedure acted as the Secretariat) which was provided for through Dec. 31, 1962, by Executive Order 10934, dated Apr. 13, 1961.

INCREASE REQUESTED

Mr. SLACK. The request is for $609,300, an increase of $4,200.
Do you have a statement?
Mr. SCHLEI. No; I do not.
Mr. SLACK. With regard to this appropriation?
Mr. SCHLEI. No, sir; I have no prepared statement other than the general statement which appears on page 16–3 of the justifications.
The appropriation is the same appropriation as was requested last year with the exception of the statutory required increases.

STATEMENT IN SUPPORT OF REQUESTED INCREASE

Mr. SLACK. Will you tell the committee why you need this appropriation of $609,300, particularly the increase of $4,200, in view of the fact there appears to be a reduction in the workload?
Mr. SCHLEI. I would be glad to, Mr. Chairman.
The office of which I am the head is charged essentially with the task of helping the Attorney General wear his hat as legal adviser to the President and his Cabinet. There are several special tasks, which I will come to, but that is really the crux of the matter.
Statistics about our operations leave a lot to be desired. We try to keep statistics because there is a demand for them, and because they are the best available means of measuring what we do in numerical terms. But in all honesty, they are subject to criticism as a measure of one's work because there is just hardly any way of categorizing many of the things we do in a meaningful way.
For example, you will see in our statistics there is a category called special assignments. That is just a desperation category we have because there is no other way of describing the disparate items that must be covered. One of the special assignments we have done recently, not too long ago, was to develop and draft the civil rights bill that became the Civil Rights Act of 1964. Another special assignment might be to reply to a citizen's letter to the President on a legal subject that he wishes to have answered by us.
In recent years, we have done such tasks as develop and draft the Economic Opportunity Act—the Anti-Poverty Act—the immigration bill, and the package sent by the President to the Congress not long ago on the subject of Presidential inability and the replacement of the Vice President as well as the reform of the electoral college.
We are currently assisting in the development of the administration's program on crime.
All of these matters just cannot be reflected in the kind of statistics that are meaningful and I think that part of the reason why our statistics are down is that we have had an exceptional number of very large time-consuming projects.
As this administration embarks upon a new program and as the Congress embarks upon a new session of Congress, we have participated in the development of a number of new proposals. This is a particularly time-consuming kind of task.
Another factor is that during the period of the election and the changeover to the new administration, we had an exceptionally high turnover rate, so that I think there was a fall in the output, what with people leaving and new people coming in.

The slippage involved in that extraordinarily high turnover rate doubtless affected our output somewhat.

One area where statistics are significant is in the area of our Conscientious Objector Section. Their figures are down because they have had stenographic vacancies. Their work fluctuates some, but I think the lower figures there this time are attributable to stenographic vacancies.

In the Office of Administrative Procedure, which is another specialized office, that is one that I believe is not going to be in existence for very long. As you know, the Congress has enacted legislation creating a permanent Administrative Conference. It is my hope and expectation that when the organization of that unit is completed, the personnel of our Office of Administrative Procedure will become a part of the staff of the Administrative Conference and will no longer be a part of the Office of Legal Counsel, which I head.

I believe that that basically is why we ask for this appropriation, sir, and why we feel that such a drop in the statistical totals as is shown here is quite without any real significance in terms of output.

CONSCIENTIOUS OBJECTOR CASES

Mr. SLACK. You might tell us very briefly what you do regarding the conscientious objector cases.

Mr. SCHLEI. Yes, sir.

When conscientious objectors file their claims before local boards for conscientious objector status, if such claim is not granted they may appeal to the appropriate appeal board, which tentatively makes a determination and if it decides the claimant is not entitled to the conscientious objector classification, the case is referred to the Department of Justice for inquiry, hearing, and recommendation. The matter is then referred to the Federal Bureau of Investigation for a report. Our Conscientious Objector Section then prepares a résumé of the report for use in connection with the hearing.

Our Office of Conscientious Objectors has hearing officers throughout the country and there is at least one in every judicial district—and in many judicial districts, there are large numbers of men who serve as hearing officers without pay. Those men hold hearings on the question whether the claimant is entitled to be classified as a conscientious objector. They write a report which is thoroughly reviewed here in Washington. We have two lawyers in that office one of which, Mr. T. Oscar Smith, has been involved in the conscientious objector program for many, many years. They review the hearing officer's report and prepare a letter of recommendation which goes to the appropriate Selective Service appeal board and is considered in reaching a conclusion on the ultimate resolution of the claim.

That is a function that is provided for by statute and I think it is section 6(J) of the Selective Service Act (50 U.S.C. App. 456(j)).

I know of no particular reason why that function should be lodged in my Office of Legal Counsel but it is lodged there and we do the best that we can with it.

Mr. SLACK. Mr. Joelson?

ROLE IN PREPARATION OF LEGISLATION

Mr. JOELSON. Mr. Schlei, you mentioned that your Office prepares legislation. I can understand how your Department would be involved in civil rights or immigration, but why would your Office be asked to prepare a bill on the Economic Opportunities Act? What real relevance does that have to your Department?

Mr. SCHLEI. Well, I think it is this way: When there is to be prepared a major administration proposal that cuts across the lines of many of the existing departments and agencies, it becomes a major problem to get the departments and agencies together and to get the points of view thrashed out and embodied in a proposal on which the executive branch as a whole can agree.

You know the normal way a legislative proposal comes up is for the department mainly concerned to draft it and send it to the Bureau of the Budget, and then for the Bureau of the Budget to circulate it and get comments.

If the comments it gets back on a really major proposal are some such thing as "we totally disagree with the entire approach," the process breaks down. So, on a major proposal that requires resolution of major differences, it has been found effective and almost institutional by this time, to ask our office to form a drafting team with senior representatives from all of the affected departments and agencies, and we resolve the problems as we go along.

The representatives are in constant contact with the affected Cabinet members. We end up in less time than otherwise, I think, with an agreed proposal that the executive branch can get behind and transmit to the Congress at the President's suggestion, rather than that of a particular department.

Mr. JOELSON. What is the necessity for major committees having counsel if the executive department is going to draw up the legislation? For instance, the Committee on Education and Labor has a majority counsel and, I think, a minority counsel. If all they are going to do is to take what the executive department hands them, why do we need high-priced committee counsel?

Mr. SCHLEI. Congressman, I do not think I have ever experienced a situation in which a congressional committee was willing to accept what the executive branch gave it in every respect. Of course, they represent the legislative branch and the legislative branch frequently changes what we send, but we do like to send a good product.

When the legislative branch gets through, it has worked its will.

Mr. JOELSON. It is better?

Mr. SCHLEI. Usually it is better; yes, sir.

LEGAL OPINIONS FOR OTHER DEPARTMENTS

Mr. JOELSON. You mentioned you rendered legal opinions for various departments. Does not each department have its own counsel?

Mr. SCHLEI. Yes, it does, Congressman. We get involved in legal questions before the departments and agencies in basically two situations: One, where there is a major question that is of more interest than just to one agency, a Gopernment-wide interest, perhaps, and where the counsel feels he should not go ahead on his own views because he may

prejudice other agencies in the Government or because he feels that a Government-wide legal policy should be established.

So, he will refer that to us.

In effect, the head of his department will ask for an opinion of the Attorney General on the question and we will prepare that opinion.

The other situation arises when there is a conflict between two departments of the Government so that they cannot get together, and they jointly refer it to us to be decided.

Mr. JOELSON. Could you give me an example of the first type of case you cited?

Mr. SCHLEI. For some reason, my mind is blank on that, sir. There are a couple of instances that occur to me as questions that did not involve a conflict.

For example, the Secretary of the Treasury on a couple of occasions has asked us to render our opinion as to whether the full faith and credit of the United States is behind certain obligations because it has an impact on their acceptability in the market—various kinds of housing obligations and Treasury obligations.

Our opinion is accepted by the brokers and securities people as conclusive and they then proceed to buy the obligations.

Mr. JOELSON. Do you feel there is any overlapping at all between your Office and the legal staffs of the various departments and agencies?

Mr. SCHLEI. Overlap? I would not think so; no, sir. We are in constant contact with them all and with the White House legal shop. The President, of course, has his special counsel and deputy special counsel.

Mr. JOELSON. I was going to get into that.

You mentioned you advised the President on legal problems. To my knowledge, if the President wants a legal opinion, he usually gets in touch with his own legal counsel who is almost on a personal relationship basis with him. I do not want you to divulge anything confidential, even off the record, but it seems to me that if the President really were faced with a thorny legal problem, he would refer to his own legal counsel who is his personal appointee.

Mr. SCHLEI. Congressman, I can only say that the relationship here is analogous to that of House counsel and an outside law firm. The lawyers who are in the White House obviously resolve many legal matters on a day-to-day basis. They are not equipped to do the really heavy research that can be involved in resolving a major legal question.

We are, in effect, the outside law firm to which they turn—the "house counsel" in the White House and other agencies—with the problems that require manpower and so on.

Of course, you know the Attorney General is the President's lawyer.

Mr. JOELSON. Yes; I understand that. Technically, that is so.

Mr. SCHLEI. My experience has been that it is not only technically so but in fact so.

The Attorney General is daily called upon by the President for legal advice in many matters.

Mr. JOELSON. How about if a Congressman wanted an opinion on a legal subject? Would you render it for a Congressman?

Mr. SCHLEI. No, Congressman. It has been decided for quite a long

time that the Attorney General may, under the statutes, render an "opinion"—in quotes—only to the President and the heads of the executive departments described in 5 United States Code, sections 1 and 2. If we receive an inquiry from a Congressman what we do is to state first of all in our reply that we are unable to render an opinion. However, we then go on and do our best to be helpful. We will summarize the precedents and statutes that seem to us to bear upon the problem and then let him draw his own conclusions.

We try to be helpful, in other words, although we cannot express an opinion in the technical sense.

Mr. JOELSON. Thank you.

Mr. SLACK. If there are no further questions, we thank you.

Mr. SCHLEI. Thank you very much, gentlemen.

INTERNAL SECURITY DIVISION

TUESDAY, MARCH 2, 1965.

WITNESS

J. W. YEAGLEY, ASSISTANT ATTORNEY GENERAL

Mr. SLACK. The next item, gentlemen, is entitled "Internal Security Division" and the details are to be found under tab 17 of the justification book.

We shall insert pages 17–1 through 17–9 at this point in the record, up to the next to the last paragraph on that page.

(The pages follow:)

Internal Security Division

Appropriated, 1965	$1,168,000
Proposed pay act supplemental	63,800
Appropriation adjusted, 1965	1,231,800
Estimate, 1966	1,229,400
Decrease	2,400

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 by the FBI. All such reports are studied for intelligence or background 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 in-

ternal security cases in the Supreme Court. The Division is also responsible for the operation of the Department Security Office.

Amount requested

The Division is requesting $1,229,400 for the fiscal year 1966. This is a decrease of $2,400 below the current year's requirements and is allocated as follows:

Additional cost in 1966 of 1964 Pay Act (3 days)	$700
Within-grade step increases	6,300
Limitation on number of positions GS–14 and above	−10,200
Personnel benefits related to above	800
Total decrease	−2,400

General statement

The Division consists of Criminal, Civil, Registration, Appeals and Research, and Administration Sections and the Department Security Office. The work of each section is explained herein. The status of cases of national importance and the developments in other cases are herewith briefly set forth. Some may require no further action but other cases of similar nature will no doubt be in process by fiscal 1966.

The trial of Pvt. George John Gessner, a former nuclear weapons specialist in the U.S. Army, who was indicted for transmitting to the Soviet Union classified information relating to our atomic weapons, was concluded on June 9, 1964, with a guilty verdict on five of six counts. Gessner was sentenced to life imprisonment and a posttrial motion for a new trial, which was heard on August 12, 1964, was denied.

John William Butenko, an American engineer and Igor A. Ivanov, chauffeur for Amtorg Trading Co., who were indicted under espionage statutes on November 7, 1963, were brought to trial on October 9, 1964. After 7 weeks of trial, the jury returned a verdict of guilty against the defendants on all three counts of the indictment and sentenced the defendants to 30 and 20 years imprisonment.

Navy Yeoman Nelson Cornelius Drummond's trial under espionage statutes was concluded on July 19, 1963, with a sentence to life imprisonment. The case is now on appeal.

After a review of FBI reports, an attorney from the Criminal Section of this Division presented the facts to a Federal grand jury in the eastern district of New York which returned an indictment against Robert Glenn Thompson, a former member of the Office of Special Investigation, U.S. Air Force. The indictment related to delivery of information to the Soviet Union involving missile sites, code books, and intelligence and counterintelligence activities of the United States.

On December 22, 1964, Alcatex, Inc., and three individuals were indicted in the southern district of New York with violating the Trading with the Enemy Act (illegally importing $150,000 worth of tussah silk from Communist China.) Several other "trading with the enemy" cases were completed during this period and more are pending.

Seven men and two women were indicted by a Federal grand jury in the eastern district of New York for illegally conspiring to organize and promote the trip of 84 American "students" to Cuba in June and July of 1964. This case, and one resulting from the Cuba trip in 1963, has been continued by the court pending the Supreme Court's decision of *Louis Zemel* v. *The Secretary of State*, which attacks the authority of the Secretary of State to issue regulations banning travel to Cuba.

The Criminal Section, as of the end of 1964, has 348 passport matters pending including 181 cases involving individuals who have not returned from Cuba.

Raids conducted by the Bureau of Customs on a gun smuggling ring in October 1963 which resulted in the seizure of 9 automobiles, a quantity of guns, including automatic weapons and 150,000 rounds of ammunition, as well as the arrest of 11 individuals, resulted in the return of a 10-count indictment in February 1964 in the southern district of Texas against 7 persons. The defendants were charged with violation and conspiracy to violate the Mutual Security Act of 1954, the Export Control Act of 1949, the National Firearms Act, and the Federal Firearms Act. Such charges were based on the unlawful possession and exportation to Mexico of arms and ammunition without valid licenses from the State and Commerce Departments. Four of the defendants plead guilty on September 24, 1964, which was the date set for trial. One defendant was later sentenced to

3 years' imprisonment and a $10,000 fine. Others were given suspended sentences with probation and several fled the country forfeiting bond.

Another case of similar nature involved Armando Gomez, who was indicted on November 12, 1964, in the southern district of California for attempting to export arms and ammunition. This trial is presently set for January 26, 1965.

A similar prosecution resulted in a return of an indictment on September 21, 1964, in the Southern District of Texas Federal Court against Basil Melton, who was charged with illegally attempting to export arms.

Vincent Estrada-Najera and Jose Delgado-Valencia who were indicted in the western district of Texas on January 8, 1964, for violating the Munitions Control Act, entered pleas of guilty and were given a 6-month suspended sentence.

On October 2, 1964, Father Jean Baptiste Georges, a Haitian citizen, pleaded guilty to an information filed in the southern district of Florida charging him with conspiracy to export arms and ammunition. This defendant on October 16, 1964, changed his plea to not guilty and a trial date has been set for February 8, 1965. The charges were based on evidence that the defendant had in this country recruited Haitians and obtained money, arms, and supplies for export to a Haitian revolutionary organization.

The Supreme Court in 1961 affirmed the order of the Subversive Activities Control Board requiring the Communist Party, U.S.A., to register with the Attorney General. Also in 1961 the party was indicted for failure to register. In 1963 this conviction was reversed by the court of appeals on the ground that the officers of the party who should have signed the registration forms could avail themselves of the fifth amendment privilege against self-incrimination. The Court further held that the Government had the burden of proof to show that a volunteer to register the party was available. The case was remanded for a new trial should the Government request it. The Government's petition for reconsideration was denied on February 21, 1964, as was the Government's petition for certiorari to the Supreme Court. On December 14, 1964, the Government moved for retrial and the district court set a trial date of March 15, 1965. An extensive study is continuing to determine whether the Government will also seek an additional indictment covering new offenses.

The Subversive Activities Control Act imposes a duty upon certain of its executive officers to register the organization in the event the organization doesn't comply with the registration order. In 1962 a grand jury in the District of Columbia returned indictments against Gus Hall and Benjamin Davis for such an offense. In 1963 these cases were consolidated by the Court for purposes of trial and postponed until the court of appeals decided the *Communist Party* case. The indictment against Davis was dismissed because of his death in 1964. Hall's trial continues to be held in abeyance pending retrial of the *Communist Party* case.

When the Communist Party and its officers did not register or list its members in accordance with the final order of the Subversive Activities Control Board, it became the duty, under sections 8 (a) and (c) of the act, for each individual party member to register himself with the Attorney General on or before December 20, 1961. No party member has registered to date. The individual's duty to register is not criminally enforceable under section 15(a) of the act until he fails to obey a final order entered against him by the Board pursuant to a petition of the Attorney General requiring him to so register. Petitions have been filed with the Board to require the registration of 44 party leaders (enumerated in table II of the Civil Section's presentation). Court orders have been entered against 35 of these individuals and the remaining cases will be completed by late January 1965. Hearings were held throughout the country.

Since the Communist Party, to a major degree, functions through numerous Communist-front organizations in the promotion of its causes and programs, extensive work within the Civil Section is undertaken under the program to require Communist-front organizations to register. Arguments on the appeal of two alleged Communist-front organizations, the American Committee for the Protection of Foreign Born and Veterans of the Abraham Lincoln Brigade, were heard by the Supreme Court on December 8 and 9 of 1964. On January 13, 1964, hearing on the petition to cause "Advance and Burning Issues Youth Organizations" was concluded. In the course of the hearing the Government introduced 32 exhibits and utilized 20 witnesses. In its defense the organization introduced 11 exhibits and called 5 witnesses. During fiscal 1964 the Section had under consideration 443 Communist-front matters.

The act also provides sanctions against Communist-infiltrated organizations. The case against the International Union of Mine, Mill & Smelter Workers was argued before the court of appeals on January 15, 1964. The court has stated that

its decision would be held in abeyance pending the Supreme Court decision in the *American Committee for Protection of Foreign Born* case.

In the last fiscal year the Civil Section participated in 36 cases of civil litigation and in the last 6 months ending December 31, 1964, participated in 21 cases. These fall generally within the categories of suits against the Government in matters on internal security; suits seeking employment reinstatement and other relief by former Government employees; actions brought contesting military and Navy discharges; suits dealing with the Department of Defense industrial security program and the port security program; libel of forfeiture; suits based on the revocation or denial of passports; and actions involving the dissemination through the mails of unsealed foreign Communist political propaganda.

The Division also is responsible for the evaluation and analysis of the reports, submitted by the Federal Bureau of Investigation and other investigative agencies, relating to the internal security of the country. The intelligence contained in these reports must be carefully considered to determine what action should be taken on the basis thereof, such as instituting prosecutions or quasi-judicial hearings, requesting further investigation, recommended changes in statutes, Executive orders, administrative rules and regulations, or policies regarding the application thereof, and evaluating the information as the basis for future action in the event of an emergency. During fiscal year 1964, 8,580 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 8,588 new matters received 94,330 reports, letters, memorandums, and documents from the FBI and other sources as compared with 96,952 in fiscal 1963 and 107,932 in fiscal 1962.

DECREASE IN BUDGET REQUEST

Mr. SLACK. The request is for $1,229,400, a decrease of $2,400 below fiscal year 1965 adjusted appropriation.

Do you have a statement, Mr. Yeagley?

Mr. YEAGLEY. No, Mr. Chairman. Any statement that I would make would duplicate largely what is set forth in the pages you have just inserted in the record.

That would cover any statement I would have unless you would like to have me orally summarize it.

Mr. SLACK. Is there any reason why we should not cut this about $600,000?

Mr. YEAGLEY. Yes, sir.

STATEMENT IN SUPPORT OF REQUEST

Mr. SLACK. You might tell us something about the requested $1,229,000.

Mr. YEAGLEY. All right.

We have spent the greater part of our time during this past period enforcing the provisions of the Internal Security Act of 1950 in regard to the Communist Party, its officers, the Communist front organizations and party members.

You may recall that we had a criminal case against the Communist Party for its failure to register and this resulted in a fine of $120,000 but was reversed by the court of appeals, and remanded with instructions it could be retried if the Government would so request.

We have so requested a retrial and it is set for March 16.

Because of a problem of proof, which the court of appeals posed in its opinion, when it stated the Government would have the obligation of proving there was someone available to the party who was willing to register for the party, we have recently brought in a second indict-

ment against the party containing similar offenses in 12 counts, but adding 2 additional allegations in an effort to more specifically cover the objections of the court of appeals.

There is no trial date on this one since the motions have not been disposed of but we would hope that it will be tried soon and possibly tried together with the earlier indictment.

The two test cases involving Communist front organizations which were ordered to register under the act are still pending in the Supreme Court.

One of those is the Abraham Lincoln Brigade case and the other is the American Committee for the Protection of the Foreign Born.

Under this same Internal Security Act, we have filed cases against 44 national leaders of the Communist Party. The hearings on these were scattered around the country in various cities.

Thirty-five of them have been completed with orders to register having been issued by the Board.

The test cases involving the membership clause, however, have not been heard by the Supreme Court. As a matter of fact, the request of the respondents to have the Supreme Court take certiorari has not been acted upon by the Court. Those two are still pending. Their request for certiorari we expect will be acted on before the current Court term is over.

Meanwhile we are planning to file additional petitions against other leaders of the party following the same course we have since the inception of this program of proceeding against the various leaders and not getting down to the rank and file. Our reason is the program has been quite disruptive of party activities. We think it serves two purposes: (1) To enforce the act, and (2) to cause problems to the party.

We have completed hearings against "Advancer" the national youth organization of the Communist Party and have a recommended decision in our favor but that will be appealed to the court of appeals probably next fall. In the area of criminal cases we had four espionage trials in the last period. We do not have too many of these ordinarily but I am afraid we must recognize there has been increasing activity on the part of the Soviets in this area. We not only have those four, we have one indictment pending and at least two other cases we would like to make if the proof is forthcoming.

The cases from the standpoint of the job the FBI has to do are very difficult. They are working now on two extremely difficult cases that may materialize during the forthcoming fiscal year.

We had, all in all, 5 criminal trials concluded during the reporting period and 17 other cases in court that did not reach the trial stage but were matters in court.

We had 20 civil trials plus 6 other civil cases that were disposed of on motion. There were 36 other civil matters in court but not disposed of by trial during the past fiscal year. In the last 6 months of calendar year 1964 we had an additional 21 civil matters in court.

It is difficult to talk about the future because we do not like to telegraph our blows. We do have matters coming up. I will be glad to mention some off the record if you like.

Mr. SLACK. Thank you very much. Questions?

LIST OF SUBVERSIVE ORGANIZATIONS

Mr. JOELSON. Does your Division compile a list of subversive organizations?

Mr. YEAGLEY. Yes. It is a list that is promulgated under the order of the Attorney General. We do the work and make the recommendations. It is done under Executive Order 10450.

Mr. JOELSON. Do you have a copy of that list with you?

Mr. YEAGLEY. Not with me but we could mail you one.

Mr. JOELSON. Would you supply it for the record at this point, if the chairman has no objection?

Mr. YEAGLEY. Yes.

(The list follows:)

ORGANIZATIONS DESIGNATED UNDER EXECUTIVE ORDER NO. 10450

(Compiled from memorandums of the Attorney General dated April 29, July 15, September 28, 1953, January 22, 1954, April 4, September 21, and October 20, 1955)

CONSOLIDATED LIST—NOVEMBER 1, 1955

This list is prepared solely for the information of Federal civilian officers and employees and for the convenience of persons completing applications for Federal employment. Membership in or affiliation with a designated organization is one factor to be considered by the departments and agencies of the Federal Government in connection with the employment or retention in employment of individuals in Federal service.

Abraham Lincoln Brigade.
Abraham Lincoln School, Chicago, Ill.
Action Committee to Free Spain Now.
Alabama People's Educational Association. (See Communist Political Association.)
American Association for Reconstruction in Yugoslavia, Inc.
American Branch of the Federation of Greek Maritime Unions.
American Christian Nationalist Party.
American Committee for European Workers Relief. (See Socialist Workers Party.)
American Committee for Protection of Foreign Born.
American Committee for Spanish Freedom.
American Committee for the Settlement of Jews in Birobidjan, Inc.
American Committee for Yugoslav Relief, Inc.
American Committee to Survey Labor Conditions in Europe.
American Council for a Democratic Greece. (Formerly known as the Greek American Council; Greek American Committee for National Unity.)
American Council on Soviet Relations.
American Croatian Congress.
American Jewish Labor Council.
American League Against War and Fascism.
American League for Peace and Democracy.
American National Labor Party.
American National Socialist League.
American National Socialist Party.
American Nationalist Party.
American Patriots, Inc.
American Peace Crusade.
American Peace Mobilization.
American Poles for Peace.
American Polish Labor Council.
American Polish League.
American Rescue Ship Mission. (A project of the United American Spanish Aid Committee.)
American-Russian Fraternal Society.
American Russian Institute, New York. (Also known as the American Russian Institute for Cultural Relations With the Soviet Union.)
American Russian Institute, Philadelphia.

American Russian Institute of San Francisco.
American Russian Institute of Southern California, Los Angeles.
American Slav Congress.
American Women for Peace.
American Youth Congress.
American Youth for Democracy.
Armenian Progressive League of America.
Associated Klans of America.
Association of Georgia Klans.
Association of German Nationals (Reichsdeutsche Vereinigung).
Ausland-Organization der NSDAP, oversea branch of Nazi Party.
Baltimore Forum.
Benjamin Davis Freedom Committee.
Black Dragon Society.
Boston School for Marxist Studies, Boston, Mass.
Bridge-Robertson-Schmidt Defense Committee.
Bulgarian American People's League of the United States of America.
California Emergency Defense Committee.
California Labor School, Inc., 321 Divisadero Street, San Francisco, Calif.
Carpatho-Russian People's Society.
Central Council of American Women of Croatian Descent. (Also known as Central Council of American Croatian Women, National Council of Croatian Women.)
Central Japanese Association (Beikoku Chuo Nipponjin Kai).
Central Japanese Association of Southern California.
Central Organization of the German-American National Alliance (Deutsche-Amerikanische Einheitsfront).
Cervantes Fraternal Society.
China Welfare Appeal, Inc.
Chopin Cultural Center.
Citizens Committee for Harry Bridge.
Citizens Committee of the Upper West Side (New York City).
Citizens Committee To Free Earl Browder.
Citizens Emergency Defense Conference.
Citizens Protective League.
Civil Liberties Sponsoring Committee of Pittsburgh.
Civil Rights Congress and its affiliated organization, including:
Civil Rights Congress for Texas.
Veterans Against Discrimination of Civil Rights Congress of New York.
Civil Rights Congress for Texas. (See Civil Rights Congress.)
Columbians.
Comite Coordinador Pro Republica Espanola.
Comite Pro Derechos Civiles. (See Puerto Rican Comite Pro Libertades Civiles.)
Committee for a Democratic Far Eastern Policy.
Committee for Constitutional and Political Freedom.
Committee for Nationalist Action.
Committee for Peace and Brotherhood Festival in Philadelphia.
Committee for the Defense of the Pittsburgh Six.
Committee for the Negro in the Arts.
Committee for the Protection of the Bill of Rights.
Committee for World Youth Friendship and Cultural Exchange.
Committee to Abolish Discrimination in Maryland. (See Congress Against Discrimination; Maryland Congress Against Discrimination; Provisional Committee To Abolish Discrimination in the State of Maryland.)
Committee to Aid the Fighting South.
Committee to Defend Marie Richardson.
Committee to Defend the Rights and Freedom of Pittsburgh's Political Prisoners.
Committee to Uphold the Bill of Rights.
Commonwealth College, Mena, Ark.
Communist Party, U.S.A., its subdivisions, subsidiaries, and affiliates.
Communist Political Association, its subdivisions, subsidiaries, and affiliates, including:
Alabama People's Educational Association.
Florida Press and Educational League.
Oklahoma's League for Political Education.
People's Educational & Press Association of Texas.
Virginia League for People's Education.

Congress Against Discrimination. (See Committee To Abolish Discrimination in Maryland.)
Congress of American Revolutionary Writers.
Congress of American Women.
Congress of the Unemployed.
Connecticut Committee To Aid Victims of the Smith Act.
Connecticut State Youth Conference.
Council for Jobs, Relief, and Housing.
Council for Pan-American Democracy.
Council of Greek Americans.
Council on African Affairs.
Croatian Benevolent Fraternity.
Dai Nippon Butoku Kai (Military Virtue Society of Japan or Military Art Society of Japan).
Daily Worker Press Club.
Daniels Defense Committee.
Dante Alighieri Society (between 1935 and 1940).
Dennis Defense Committee.
Detroit Youth Assembly.
East Bay Peace Committee.
Elsinore Progressive League.
Emergency Conference To Save Spanish Refugees (founding body of the North American Spanish Aid Committee).
Everybody's Committee To Outlaw War.
Families of the Baltimore Smith Act Victims.
Families of the Smith Act Victims.
Federation of Italian War Veterans in the U.S.A., Inc. (Associazione Nazionale Combattenti Italiani, Federazione degli Stati Uniti d'America).
Finnish-American Mutual Aid Society.
Florida Press and Educational League. (See Communist Political Association.)
Frederick Douglass Educational Center.
Freedom Stage, Inc.
Friends of the New Germany (Freunde des Neuen Deutschlands).
Friends of the Soviet Union.
Garibaldi American Fraternal Society.
George Washington Carver School, New York City.
German-American Bund (Amerikadeutscher Volksbund).
German-American Republican League.
German-American Vocational League (Deutsche-Amerikanische Berufsgemeinschaft).
Guardian Club.
Harlem Trade Union Council.
Hawaii Civil Liberties Committee.
Heimusha Kai. Also known as Nokubei Heicki Gimusha Kai, Zaibei Nihonjin, Heiyaku Gimusha Kai, and Zaibei Heimusha Kai (Japanese Residing in America Military Conscripts Association).
Hellenic-American Brotherhood.
Hinode Kai (Imperial Japanese Reservists).
Hinomaru Kai (Rising Sun Flag Society—a group of Japanese war veterans).
Hokubei Zaigo Shoke Dan (North American Reserve Officers Association).
Hollywood Writers Mobilization for Defense.
Hungarian-American Council for Democracy.
Hungarian Brotherhood.
Idaho Pension Union.
Independent Party (Seattle, Wash). (See Independent People's Party.)
Independent People's Party. (See Independent Party.)
Industrial Workers of the World.
International Labor Defense.
International Workers Order, its subdivisions, subsidiaries, and affiliates.
Japanese Association of America.
Japanese Oversea Central Society (Kaigai Dobo Chuo Kai).
Japanese Oversea Convention, Tokyo, Japan, 1940.
Japanese Protective Association (recruiting organization).
Jefferson School of Social Science, New York City.
Jewish Culture Society.
Jewish People's Committee.
Jewish People's Fraternal Order.

Jikyoku Iinkai (the Committee for the Crisis).
Johnson-Forest Group. (See Johnsonites.)
Johnsonites. (See Johnson-Forest Group.)
Joint Anti-Fascist Refugee Committee.
Joint Council of Progressive Italian-Americans, Inc.
Joseph Weydemeyer School of Social Science, St. Louis, Mo.
Kibei Seinen Kai (Association of U.S. Citizens of Japanese Ancestry who have returned to America after studying in Japan).
Knights of the White Camellia.
Ku Klux Klan.
Kyffhaeuser. (Also known as Kyffhaeuser League (Kyffhaeuser Bund); Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft.)
Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk).
Labor Council for Negro Rights.
Labor Research Association, Inc.
Labor Youth League.
League for Common Sense.
League of American Writers.
Lictor Society (Italian Black Shirts).
Macedonian-American People's League.
Mario Morgantini Circle.
Maritime Labor Committee To Defend Al Lannon.
Maryland Congress Against Discrimination. (See Committee To Abolish Discrimination in Maryland.)
Massachusetts Committee for the Bill of Rights.
Massachusetts Minute Women for Peace. (Not connected with the Minute Women of the U.S.A., Inc.)
Maurice Braverman Defense Committee.
Michigan Civil Rights Federation.
Michigan Council for Peace.
Michigan School of Social Science.
Nanka Teikoku Gunyudan (Imperial Military Friends Group or Southern California War Veterans).
National Association of Mexican Americans. (Also known as Asociacion Nacional Mexico-Americana.)
National Blue Star Mothers of America. (Not to be confused with the Blue Star Mothers of America organized in February 1942.)
National Committee for Freedom of the Press.
National Committee for the Defense of Political Prisoners.
National Committee to Win Amnesty for Smith Act Victims.
National Committee to Win the Peace.
National Conference on American Policy in China and the Far East. (A conference called by the Committee for a Democratic Far Eastern Policy.)
National Council of Americans of Croatian Descent.
National Council of American-Soviet Friendship.
National Federation for Constitutional Liberties.
National Labor Conference for Peace.
National Negro Congress.
National Negro Labor Council.
Nationalist Action League.
Nationalist Party of Puerto Rico.
Nature Friends of America (since 1935).
Negro Labor Victory Committee.
New Committee for Publications.
Nichibei Kogyo Kaisha (the great Fujii Theater).
North American Committee to Aid Spanish Democracy.
North American Spanish Aid Committee.
North Philadelphia Forum.
Northwest Japanese Association.
Ohio School of Social Sciences.
Oklahoma Committee to Defend Political Prisoners.
Oklahoma League for Political Education. (See Communist Political Association.)
Original Southern Klans, Inc.
Pacific Northwest Labor School, Seattle, Wash.
Palo Alto Peace Club.
Partido del Pueblo of Panama (operating in the Canal Zone).

Peace Information Center.
Peace Movement of Ethiopia.
People's Drama, Inc.
People's Educational & Press Association of Texas. (See Communist Political Association.)
People's Educational Association. (Incorporated under name, Los Angeles Educational Association, Inc., also known as People's Educational Center, People's University, People's School.)
People's Institute of Applied Religion.
People's Program (Seattle, Wash.)
People's Radio Foundation, Inc.
People's Rights Party.
Philadelphia Labor Committee for Negro Rights.
Philadelphia School of Social Science & Art.
Photo League (New York City).
Pittsburgh Arts Clubs.
Political Prisoners' Welfare Committee.
Polonia Society of the IWO.
Progressive German-Americans. (Also known as Progressive German-Americans of Chicago.)
Proletarian Party of America.
Protestant War Veterans of the United States, Inc.
Provisional Committee of Citizens for Peace, Southwest Area.
Provisional Committee on Latin American Affairs.
Provisional Committee to Abolish Discrimination in the State of Maryland. (See Committee to Abolish Discrimination in Maryland.)
Puerto Rican Comite Pro Libertades Civiles (CLC). (See Comite Pro Derechos Civiles.)
Puertorriquenos Unidos (Puerto Ricans United.)
Quad City Committee for Peace.
Queensbridge Tenants League.
Revolutionary Workers League.
Romanian-American Fraternal Society.
Russian American Society, Inc.
Sakura Kai (Patriotic Society, or Cherry Association—composed of veterans of Russo-Japanese War).
Samuel Adams School, Boston, Mass.
Santa Barbara Peace Forum.
Schappes Defense Committee.
Schneiderman-Darcy Defense Committee.
School of Jewish Studies, New York City.
Seattle Labor School, Seattle, Wash.
Serbian-American Fraternal Society.
Serbian Vidovdan Council.
Shinto Temples (limited to State Shinto abolished in 1945).
Silver Shirt Legion of America.
Slavic Council of Southern California.
Slovak Workers Society.
Slovenian-American National Council.
Socialist Workers Party, including American Committee for European Workers' Relief.
Sokoku Kai (Fatherland Society).
Southern Negro Youth Congress.
Suiko Sha (Reserve Officers Association, Los Angeles).
Syracuse Women for Peace.
Tom Paine School of Social Science, Philadelphia, Pa.
Tom Paine School of Westchester, N.Y.
Trade Union Committee for Peace. (See Trade Unionists for Peace.)
Trade Unionists for Peace. (See Trade Union Committee for Peace.)
Tri-State Negro Trade Union Council.
Ukrainian-American Fraternal Union.
Union of American Croatians.
Union of New York Veterans.
United American Spanish Aid Committee.
United Committee of Jewish Societies and Landsmanschaft Federations, also known as Coordination Committee of Jewish Landsmanschaften and Fraternal Organizations.

United Committee of South Slavic Americans.
United Defense Council of Southern California.
United Harlem Tenants and Consumers Organization.
United May Day Committee.
United Negro and Allied Veterans of America.
Veterans Against Discrimination of Civil Rights Congress of New York. (See Civil Rights Congress.)
Veterans of the Abraham Lincoln Brigade.
Virginia League for People's Education. (See Communist Political Association.)
Voice of Freedom Committee.
Walt Whitman School of Social Science, Newark, N.J.
Washington Bookshop Association.
Washington Committee for Democratic Action.
Washington Committee To Defend the Bill of Rights.
Washington Commonwealth Federation.
Washington Pension Union.
Wisconsin Conference on Social Legislation.
Workers Alliance (since April 1936).
Yiddisher Kultur Farband.
Young Communist League.
Yugoslav-American Cooperative Home, Inc.
Yugoslav Seamen's Club, Inc.

Mr. JOELSON. I understand there are approximately 300 organizations on that list?

Mr. YEAGLEY. It would approach that figure, I believe.

AMERICAN NAZI PARTY

Mr. JOELSON. Can you tell me why the Minutemen and American Nazi Party are not on that list?

Mr. YEAGLEY. May I take the American Nazi Party first?

Mr. JOELSON. Yes.

Mr. YEAGLEY. We have done a good deal of work in that area and have had a good many meetings both within the Government and outside, including members of the National Jewish Community, who have shown interest and concern. These meetings have gone back 6 years at least. I believe they first began under Attorney General Rogers. The American Nazi Party, despite the noise it makes, is a very small group and has a very small membership.

Mr. JOELSON. Is that not true of some of the other organizations on the subversive list?

Mr. YEAGLEY. It may very well be. We do have a lot of evidence of their activity. We do not have evidence of their direct foreign association, if any, but it was felt by the then Attorney General and has since been concurred in by others that a prolonged hearing, which would be public in nature and which, incidentally, poses serious constitutional questions that were not recognized a good many years ago but are now, we feel such a long hearing would give the American Nazi Party a good deal of publicity and public attention which they are finding difficult to get now except for acts of violence once in awhile and picketing.

Mr. JOELSON. You do not worry about the publicity of the other 300 organizations on the list?

Mr. YEAGLEY. They were designated without hearing.

Mr. JOELSON. They had a right to a hearing if they asked for it?

Mr. YEAGLEY. That is right. We had no hearings. We had hearings in the Socialist League area but we were unable to prove our case.

Mr. JOELSON. Do you know that the American Nazi Party in the District of Columbia alone has engaged in 17 acts of either incitement to riots or disorders?

Mr. YEAGLEY. I think the U.S. attorney wrote a letter to you on that recently. We worked with him on that. I am not saying we are always right in everything we do in this area of fighting subversive organizations, but we can give logical reasons why we do certain things and why we do not do certain things. This list, under the personnel security program, is to alert government officials who are hiring personnel that if someone is a member of an organization on that list, they should make further inquiries. It is not an automatic bar to employment. The name being on the list does not prohibit the organization from operating. The name American Nazi Party would seem in itself to alert the person hiring personnel to go into the matter further if an applicant is a member of that organization. It does pose a constitutional question to proceed with a designation.

I am sorry to say, but to answer your question fully I must say, there has been no proceeding since 1955, largely for that reason. It was the conclusion of those participating in it that we would gain little and lose quite a bit by a hearing involving the American Nazi Party. As I say, it is not a large membership organization at all.

Mr. JOELSON. I would like to state to you that I think the lack of desire to give an organization publicity would apply to any one of these 300 organizations already on the list, and I cannot understand why you did not list this organization.

THE MINUTEMEN

I do not want to take up too much time, but I am interested in this subject, Mr. Chairman. Would you please state for the record whether your failure to list the Minutemen stems from the same reason?

Mr. YEAGLEY. No, it does not. The nature of our proof in the case of the Minutemen is quite different from the proof we would have if we had a case involving the American Nazi Party.

Mr. JOELSON. Are you familiar with the November publication of the Minutemen in which they told their members they should bear arms because they must engage in subversion and there will be no free elections in this country in 1968?

Mr. YEAGLEY. I do not believe I remember their using the word "subversion."

Mr. JOELSON. I have a copy of it and they used the word "subversion" and exhorted their members to use the same tactics used by the Communists, including subversion, infiltration, and psychological warfare. I think by their own publication they are a subversive organization and should be listed.

Mr. YEAGLEY. I would like to say it is easy to say you should list someone, but it is not easy to designate them. No. 1, we must ask the FBI to give up their informants to act as witnesses, which means they are losing some of their future coverage of the organization. We do not like to do that unless we are satisfied with the mileage we will get from using them. The Minutemen is not a large organization. It is an entirely different type of group from the American Nazi Party. It is an extremely loose organization. They do not keep a central list of

members and they encourage independent local operations. They encourage people in the field to take on programs and never report back to the central office. There is even some question of whether these other groups can be considered as an organizational part of the Minutemen.

Mr. JOELSON. For what purpose do they urge their members to get hold of arms?

Mr. YEAGLEY. They claim the United States will be subject to overthrow by foreign or domestic Communists and that in order to save the country the only method, as they see it, to save the United States is for the citizens across the country to be prepared through the purchase of arms now so they may resist the Communist takeover.

Mr. JOELSON. That is all.

Mr. SLACK. Mr. Andrews?

TIE-IN BETWEEN SUBVERSIVE ORGANIZATIONS

Mr. ANDREWS. You mentioned these 300 organizations you have listed as subversive. Do you suspect, or have you been able to prove, there is a tie-in between these various organizations?

Mr. YEAGLEY. Well, many of them, No. 1, are defunct, but assuming they were all in existence the various organizations that were Communist and Communist-front did have a tie-in. Also, there is more than one Nazi or Fascist organization on the list, I think largely defunct now, that did have some tie-in.

Mr. ANDREWS. How many of those 300 organizations are now active and functioning?

Mr. YEAGLEY. I am sorry, I would have to get a count on that.

Mr. ANDREWS. Will you supply that for the record?

Mr. YEAGLEY. Yes.

Mr. ANDREWS. And could you also supply for the record, of that smaller group, how many major units can we assume are tied in and if there is a tie-in between two-thirds of them?

Mr. YEAGLEY. We will cover that.

(The information requested follows:)

BREAKDOWN AS TO TYPE AND INTERRELATIONSHIP OF THE ORGANIZATIONS ON THE ATTORNEY GENERAL'S LIST WHICH ARE ACTIVE AT THE PRESENT TIME

When organizations were designated by the Attorney General under Executive Order 9835 they were listed by category such as "Subversive," "Fascist," "Communist," and those which "seek to alter the form of government of the United States by unconstitutional means." When the new list was issued under Executive Order 10450, the organizations were not listed by category. Most of those organizations are now defunct. This is particularly true of the Nazi and Fascist groups.

Two hundred and seventy-four organizations were designated under Executive Order 10450. Only 20 are considered to be in an active status today. Sixteen of these could be considered to have a tie-in since they would fall under the "Communist" category. The remaining four active organizations would come under the category of organizations which "seek to alter our form of government by unconstitutional means."

ACTIVITIES OF SUBVERSIVE ORGANIZATIONS

Mr. ANDREWS. Have the activities of these listed by you as subversive organizations been tending to increase or decrease, both in operations and memberships, during the last 2 or 3 years?

Mr. YEAGLEY. I think I can answer that generally now. The activities of the front groups are off substantially in one respect. That would be in terms of members of active fronts compared to what it was a few years ago. The Communist Party, which has been the largest source in developing front organizations, has experienced difficulty in recent years in getting fronts underway. This does not mean their members do not belong to other organizations, because they do, but in terms of an organization they themselves have inspired, they have met with decreasing success in the last 15 years, I would say. Part of that is due to the fact their membership has fallen from 84,000 to 10,000 in the last 15 or 16 years. This is exactly the reason we proceeded against this organization Advance. We did not proceed with them on the Attorney General's list.

For our own reasons we did proceed against them before the Subversive Activities Control Board because the party is having a problem developing new members, and they realize they need new members, so we proceeded against them in advance. Advance has withered on the vine now since we initiated our proceeding. The Communists have run from it and have gone to the Du Bois Club, which Mr. Hoover has mentioned publicly on a couple of occasions. This is one of their main efforts to reach the youth of America and is one we are vitally interested in at the present time. If I may go off the record.

(Discussion off the record.)

NO TIE-IN BETWEEN SOCIALIST AND COMMUNIST GROUPS

Mr. ANDREWS. Back on the record, do you feel that there is a tie-in between the Socialist groups and the Communist groups in this country to jointly subvert our Government?

Mr. YEAGLEY. No. I would not say there is an organizational tie-in or control of any kind. They do hate the same things and they have mutual enemies and they work together against a common target.

Mr. ANDREWS. You would not say they are working in concert?

Mr. YEAGLEY. Not through any official organizational tie. It is merely various groups that have the same target but cannot agree themselves on a program or policies ordinarily, any more than Lenin and Trotsky.

Mr. ANDREWS. But they are equally subversive?

Mr. YEAGLEY. There are some people who are very active politically in such organizations who are a few shades less militant, you might say. It is like the whole spectrum of American citizens and we draw arbitrary lines between them. On one side of the line you might have the Communist Party and next to it are people with closely allied thoughts. So when the Communist Party works in front groups many people help them. I think one of the indications of this was the Student Committee for Travel to Cuba that organized two separate trips 2 separate years to go to Cuba in defiance of U.S. laws because they wanted to prove a few points. They did not care what the Government's position was.

In fact, they thought they would be exposing the Government's position to the light of day. They wanted to show an affinity for what Castro is trying to do, and they wanted to test the constitutionality of the law authorizing the President and the Secretary of State to deny or invalidate their passports. They had 60 or 63 in

one trip and 84 the next year. They did not have trouble to get a group to go either time. I would say very few of them were members of the Communist Party. It was a mixture of American youth who by and large had similar reasons to make the trip who could agree on a lot of things though not on everything, but who, organizationally, were not tied in together. It is merely an indication, I think, that there is a lot of varied political thinking on the part of American youth today. It has not jelled as far as I can see. They are against a lot of things and the leftwing organizations are trying to capitalize on this and get them in their own organizations, but the Socialist groups and Communist groups I do not suppose will ever work together under one leadership.

Mr. ANDREWS. So while some of the publicly known subversive groups have disbanded, still the need for your Division is as great today as it ever has been?

Mr. YEAGLEY. If I may refer to a confidential report off the record.

(Discussion off the record.)

Mr. ANDREWS. Now could you answer my question on the record?

Mr. YEAGLEY. We feel that way. We believe much of the reason for the loss of membership by the Communist Party and much of the reason for there being fewer front organizations active now has been the result of both Government investigations and prosecutive activities in the field. The Communist Party has indicated many times in their meetings that they are concerned about these prosecutions. If this work should change significantly I know the party believes, and we believe, their membership problems would diminish and their activities would increase.

Mr. ANDREWS. Thank you.

Mr. CEDERBERG. The organizations on the Attorney General's subversive list are organizations that have, to the satisfaction of the Attorney General and your office, been Communist-front organizations with definite tie-ins with the Communist Party both here and abroad. Is that a fair statement?

Mr. YEAGLEY. Generally, yes. The Communist-front organization ties abroad often were through the local organization only.

Mr. JOELSON. I would like to emphasize that the list is not confined to Communist organizations. They can be subversive as Fascists or Nazi organizations.

Mr. YEAGLEY. That is correct. Without educating the opposition, I can make one more statement here, off the record.

(Discussion off the record.)

Mr. SLACK. If there are no further questions, thank you.

JUDY COPLON

Mr. ROONEY. You are not going to let him get away without asking him what happened to the *Judy Coplon* case?

Mr. CEDERBERG. She is still free, is she not?

Mr. YEAGLEY. She is still free and the $40,000 bond money is still there.

Mr. ROONEY. Who put up the bond money?

Mr. YEAGLEY. The family, I believe. I do not know where they got it.

Mr. SLACK. Thank you very much.

Mr. YEAGLEY. Thank you.

CIVIL RIGHTS DIVISION

WITNESS

JOHN DOAR, ASSISTANT ATTORNEY GENERAL

Mr. SLACK. We shall now consider the item "Civil Rights Division." The details with regard thereto are to be found under tab 18 of the justification book.

We shall at this point in the record insert pages 18–1 through 18–26.

(The pages follow:)

CIVIL RIGHTS DIVISION

Appropriation, 1965	$2,348,000
Amount to be applied toward overall pay act costs (general legal activities)	(—)193,000
Estimated pay act costs to this Division	53,600
Appropriation adjusted, 1965	2,208,600
Estimate, 1966	2,452,400
Increase	243,800

The Civil Rights Division, under its Assistant Attorney General and pursuant to general supervision by the Attorney General, enforces the Federal civil rights statutes. These include the Civil Rights Acts of 1957, 1960, and 1964; certain 19th century criminal laws (18 U.S.C. 241–244); and statutes dealing with extortion and threats, fugitive felons, obstruction of justice, and peonage and slavery.[1]

The Division also has responsibility for all legal and administrative problems arising from the arrest of a Federal prisoner until his final discharge from custody, including the application and construction of the Probation Act, the parole statutes, the Juvenile Delinquency Act, and the sentencing provisions of the Youth Corrections Act.

Amount requested

It is estimated that the Civil Rigts Division will need $2,452,400 to fulfill its responsibilities during fiscal year 1966. This is $243,800 more than the amount required during the present fiscal year.

The Congress approved an additional fund of $1,093,000 in the Supplemental Appropriation Act of 1965 for 109 new positions to permit the immediate enforcement of the Civil Rights Act of 1964 (Public Law 88–352, 88th Cong., July 2, 1964), and although the Division entered upon an extensive recruiting campaign, it was not able to employ the entire new staff immediately because of the time consumed in the selection process.

Since additional funds were required to implement the 1964 pay act, the Bureau of the Budget directed that $193,000 of the savings realized under the supplemental appropriation for this Division be applied toward pay act costs.

The replacement of these funds ($193,000), the addition of $18,900 to meet statutory increases in salaries and personnel benefits, and the amount of $31,900 to continue the new staff authorized in the 1965 Supplemental Act on a full-year basis, are requested for the fiscal year 1966.

The provisions of title VII of the 1964 Civil Rights Act relating to equal employment opportunity which become effective July 2, 1965, will increase the Division's workload and necessitate an estimated 40 additional personnel in fiscal 1966. In view of the considerable expansion in the staff already programed for fiscal year 1965, and uncertainties regarding the impact of title VII, financing for the additional personnel to implement this title, if necessary, will be sought later in a supplemental estimate for 1966.

The increase of $243,800 requested at this time represents the minimum additional amount deemed necessary for this Division to meet current responsibilities during fiscal 1966.

[1] Enforcement of certain criminal provisions of the Hatch Act relating to election frauds and illegal political activity were transferred to the Criminal Division by Department Order No. 318–64, July 30, 1964 (29 Fed. Reg. 11181, Aug. 4, 1964).

The details of the requested increase are as follows:

Statutory provisions:	
Additional cost in 1966 of 1964 pay act	$4,000
Within-grade step increases	12,200
Personnel benefits related to above	2,700
Total, statutory costs	18,900

Full-year cost of personnel and services provided for in 1965 supplemental act and Bureau of Budget allocation on part-year basis

	1965 supplemental appropriation (11 months)	Budget allocation (9 months)	Full-year cost in 1966	Additional needed in fiscal year 1966
Salaries:				
109 positions $708,669				
Lapse (1 month) −59,669				
Net (11 months)	$649,000	$530,900	$705,900	$175,000
Regular pay above 52-week base	2,500	2,100	2,700	600
Total, personnel compensation	651,500	533,000	608,700	175,600
Personnel benefits	48,700	39,800	53,000	13,200
Travel	88,200	70,000	96,200	26,200
Communications	62,200	50,000	68,500	18,500
Rents:				
Space	100,000	80,000	109,000	29,000
Equipment	9,000	7,000	9,800	2,800
Printing and reproduction	29,000	23,000	31,600	8,600
Other services	39,200	32,000	42,800	10,800
Supplies	5,400	5,400	5,400	
Equipment	59,800	59,800		−59,800
Reserve for pay act costs		[1] 193,000		
Total	1,093,000	1,093,000	1,124,900	224,900
Total increase				243,800

[1] This sum is to be applied to pay act costs in fiscal year 1965 and the proposed pay act supplemental has been reduced from $896,000 to $703,000. The Civil Rights Divison will require full financing in 1966 for the additional staff and facilities authorized in the 1965 Supplemental Act since it is expected that the full impact of the new Civil Rights Act will be reflected in the work of this Division next year.

GENERAL STATEMENT

The work of the Division has increased significantly, in both its traditional functions and new responsibilities.

1. Negotiation before litigation

It is the policy of the Department to encourage voluntary local solutions to racial problems. To obviate litigation, Division attorneys confer with local officials about the requirements of Federal law and explore the possibilities of self-correction.

During the year, negotiation produced voluntary compliance to Federal law forbidding racial discrimination in registration for voting in parts of Georgia, Mississippi, and South Carolina.

The most significant and fruitful application of this policy has been to promote acceptance of the public accommodations provisions of the Civil Rights Act of 1964. The almost universal adherence to the new requirements, which has been remarked so widely, was preceded by numerous conferences between departmental personnel and officials and businessmen throughout the Southern and border States.

Similarly, Division personnel have consulted with disputants in racially troubled communities to help solve other specific problems and to head off clashes. For instance, in Jackson and Greenwood, Miss.; Danville, Va.; Cambridge, Md.; and elsewhere, significant steps have been taken toward the mutual confidence necessary for broader solutions.

Our experiences to date justify completely our reliance on this approach.

2. Civil Rights Acts of 1957 and 1960

Discrimination and intimidation against Negro prospective voters continued to preoccupy the Division during the past fiscal year.

To implement the Constitution's guarantees, the 1957 act authorizes the Attorney General to institute civil suits in Federal district courts to prevent and redress racial and other arbitrary interferences (including intimidation, threats, and coercion) with the right to vote (42 U.S.C. 1971, et seq.). Under the 1960 amendment to the act, Federal district courts are authorized to appoint voting referees after finding a pattern or practice of discrimination (42 U.S.C. 1971(e)), and a State may be joined as a party defendant in a proceeding involving discrimination in voting or registration (42 U.S.C. 1971(c)). Title III of the 1960 act requires that all records and papers relating to acts requisite to voting in Federal elections be retained and preserved for 22 months after the election, and that they be made available to the Attorney General for inspection and copying (42 U.S.C. 1974, et seq.).

In a number of areas, Negro citizens are denied the right to vote in two ways: discrimination by registrars in the application of qualifications tests (42 U.S.C. 1971(a)) and intimidation by private individuals or office holders (42 U.S.C. 1971(b)).

To prove and prevent these violations of the law the Division conducts investigations where there are indications that the right of Negroes to vote is being interefered with by discrimination. These investigations involve thorough analysis of the registration and voting records of the counties in question and numerous detailed interviews with individuals.

A request to inspect and photograph registration records is usually the first step in a voting action. If, despite the clear mandate of Federal law, local officials deny us access to their pertinent records, a court order under title III of the 1960 act is sought. Thus far records have been examined in 82 counties with local consent, but court decrees have been necessary in 58 others.

Next, the records are analyzed minutely to ascertain whether Negro applicants have been discriminated against and, if so, how. The data culled from the records usually lead to additional investigation.

If violations of Federal law have occurred, they are brought to the attention of State and local officials as the basis for voluntary corrective action. Failing that, suit is filed under section 1971(a).

Similarly, allegations that Negroes have been threatened, intimidated, or coerced for the purpose of interfering with their right to register or vote in Federal elections are thoroughly investigated. Again, if violations have occurred, attempts are made to persuade the persons involved to desist voluntarily. If those attempts are unsuccessful, suit is filed under section 1971(b).

By the end of the fiscal year the Division had filed a total of 61 suits under section 1971 since its adoption, as compared with 41 at the end of the previous year and a total of only 12 cases filed during the period from September 1958 to June 30, 1961. Of these 61 cases, 45 involved discrimination under 1971(a) and 16 involved intimidation under 1971(b). Trials and hearings, some of them extensive, were held in 23 cases during the fiscal year. The following is a summary of recent noteworthy developments under these subsections:

(a) 42 U.S.C. 1971(a)

A principal case under this statute, *United States* v. *Mississippi*, challenges the constitutionality of Mississippi's registration standards and procedures. A three-judge district court dismissed the Government's complaint on the ground of failure to state a claim upon which relief could be granted. The Government has appealed and the Supreme Court has noted probable jurisdiction.

In a similar case, *United States* v. *Louisana*, a three-judge court sustained the Government's position and held State's interpretation test to be unconstitutional. The court also forbade the use of a new multiple-choice test in 21 parishes which had used the interpretation test. The court ruled that the new test made registration more difficult than it had been in the past and thus would perpetuate the existing racial disparity in registration resulting from past discrimination. The Supreme Court has noted probable jurisdiction of the State's appeal and directed that the case be argued immediately preceding *United States* v. *Mississippi*.

In addition, another statewide voting case was filed in October 1963 against Louisiana. This action alleges that a State law requiring registrars to use the registration application as a strict test is unconstitutional because it has been used as a vehicle for discrimination against Negroes. (*United States* v. *Board of Registration of the State of Louisiana*).

Three important cases decided during this year by the Court of Appeals for the Fifth Circuit have increased the effectiveness of section 1971.

United States v. *Duke*, filed in October 1961, involved discriminatory registration standards and procedures in Panola County, Miss. Among the practices attacked by the Department was the extraordinary raising of registration standards after a period of discrimintaion during which most white persons but virtually no Negroes were registered. The Court agreed that the effect of this tactic was to perpetuate the illegally produced racial disparity in registration statistics, and it ordered local officials to register Negroes by the lenient standards formerly enjoyed only by white applicants.

The significance of this decision is seen in the fact that, although only 1 Negro was registered there when the case was filed—and he in 1892—more than 500 are now on the books.

In another case, *United States* v. *Mayton*, filed August 1962, it was found that no Negroes had been registered in Perry County, Ala., since 1954. After an injunction against discriminatory practices was granted by the district court in November 1962, it was determined that the board of registrars did nothing toward processing Negro applications, nor did the ditsrict court take action on applications filed with it pursuant to section 1971(e). The court of appeals held that Negroes were entitled to apply to the district court to vote and that informal letters submitted by Negroes were applications within the meaning of section 1971(e).

In *United States* v. *Ramsey*, filed in June 1961, the district court forbade the registrar of Clarke County, Miss., to continue specified discriminatory practices, but refused to find that he had engaged in a "pattern and practice" of discrimination. Initially, the court of appeals declined to overturn that refusal but, on rehearing it, held that the district court's action was clearly erroneous on the evidence.

(*b*) *Section 1971(b)*

Sixteen cases have been filed from 1957 through fiscal 1964 under section 1971(b), which forbids persons to intimidate others for the purpose of interfering with their right to register and vote in Federal elections.

Of the four filed during the past fiscal year, three involved Dallas County, Ala., in addition to a section 1971(a) case filed against the board of registrars there in April 1961 and finally decided in the Government's favor in September 1963 (*United States* v. *Atkins*). These three 1971(b) actions illustrate some of the methods used to intimidate Negroes seeking to register to vote.

The first suit charged local officials with attempting to intimidate prospective Negro voters by assaulting and arresting voter registration workers on baseless charges (*United States* v. *Dallas County*).

The second action seeks to enjoin misuse of the State law enforcement machinery, including the grand jury, the sheriffs' and prosecutors' offices and the judicial processes, to intimidate Negroes for the purpose of interfering with the right to vote (*United States* v. *McLeod*).

The third case charges that, through newspaper advertisements, programs for economic sanctions against Negroes, and by preventing Negroes from attending voter registration meetings, the citizens council has engaged in threats and intimidation to interfere with the right of Negroes to register to vote. And that its activities are intended to frustrate Federal court orders designed to eliminate discrimination in voter registration (*United States* v. *Dallas County Citizens Council*).

(*c*) *Postdecree enforcement*

It must be emphasized that after a successful trial, a section 1971 case is not over. The Department is still obliged to insure that the relief granted is made effective. This requires further painstaking investigation including the photographing and analysis of registration records. For instance, in Montgomery, Ala., where the Government secured a permanent injunction against discrimination in November 1962 (*United States* v. *Penton*), 15,000 records were photographed during the past year. These are the basis of current enforcement proceedings.

United States v. *Lynd*, a suit charging discrimination by the registrar of Forrest County, Miss., which was filed in July 1961, illustrates the lengths to which the Department must go in dealing with an unusually recalcitrant defendant. The Court of Appeals for the Fifth Circuit issued an injunction forbidding further discrimination by the registrar in March 1962. In May, the court of appeals cited the registrar for civil and criminal contempt of that injunction. The contempt hearing was held in September 1962, and on July 15,

1963, the court held the defendant in civil contempt. He was ordered to register 43 specified Negroes immediately and to cease discriminatory practices in processing other applications. The Supreme Court declined to review the conviction of civil contempt and the Negroes were registered. Criminal contempt proceedings were postponed pending a decision by the Supreme Court in *United States* v. *Barnett* (discussed below) as to whether a person charged with criminal contempt is entitled to a jury trial. The matter is pending before the court of appeals.

In April 1964, the Department filed additional charges against the registrar in the *Lynd* case alleging that he has continued to discriminate against Negroes, and asking that 200 more specified Negroes be registered. Also in April, the Government's motion for a permanent injunction and for a finding of a pattern and practice of discrimination were heard in the district court. These aspects of the case are awaiting decision.

3. School desegregation

Prior to the adoption of the Civil Rights Act of 1964, the Department's primary task in this area was to protect the integrity of Federal court orders and promote the due administration of justice where school desegregation orders had been issued as a result of private litigation.

This Division has followed a policy of holding informal conferences with local officials to offer them the Department's assistance in bringing about peaceable and orderly desegregation.

During fiscal 1964, the number of desegregated school districts in the Southern and Border States increased to 1,141, rising from 972 in the previous year. The percentage of Negro children in school with white children in the 17 States affected increased from an estimated 7.8 to 9.2.

While many communities have undertaken school desegregation constructively, that was not the case in Alabama. In June 1963, orders requiring the admission of Negro students to the University of Alabama were not carried out until the President federalized the National Guard to protect the integrity of those orders and to prevent the Governor of Alabama from interfering with their implementation.

In September 1963, similar action was required when public schools in Birmingham, Huntsville, and Tuskegee were ordered to desegregate. After the Governor used State police and the National Guard to bar the children from the schools, the President, acting to enforce an order secured by the Department and signed by all the Federal district judges in Alabama, federalized the Guard and ordered its complete withdrawal. Thus local officials were unable to undertake compliance.

The Tuskegee situation required and received unique departmental and judicial attention. When Tuskegee High School was desegregated, its white students went to other white schools in Macon County and, in January 1964, the State board ordered it closed. The Government intervened as plaintiff and in February the district court ordered the admission of Tuskegee High's Negroes to either of the county's two operating white schools. Also, a three-judge court was convened to consider the constitutionality of Alabama's pupil-placement, grant-in-aid, and school-closing laws. Again, the white children withdrew to a hastily organized private school when the Negroes were enrolled.

On July 14, 1964, the three-judge court ordered the Governor and the State board to cease interfering with school desegregation orders anywhere in the State, and it enjoyed the use of the grant-in-aid and pupil-placement laws to circumvent desegregation orders. The court also considered ordering statewide desegregation on the basis of the control exercised by the Governor and his State board over local boards, and the withholding of that relief was conditioned on their future noninterference with desegregation orders.

During the fiscal year the Division continued its program to eliminate racial discrimination in the schooling of children of personnel stationed or employed at all military installations. Five hundred and eighty-seven school districts in 17 Southern and border States have received Federal funds for school construction under the "impacted area" program. The Department contends that, as a result of the written assurances given by each school district to the U.S. Commissioner of Education that they will educate federally connected children, the districts are obligated to provide such education on a racially nondiscriminatory basis.

A number of such school districts contacted by the Department have taken affirmative steps to eliminate segregation. In other districts, where the school

board has failed to take any step toward desegregation, the Division has filed suit.

The Government has petitioned the Supreme Court to grant certiorari in three cases which were decided adversely in the district courts and the Court of Appeals for the Fifth Circuit: *United States* v. *Gulfport Municipal Separate School District; United States* v. *Madison County (Alabama) Board of Education; United States* v. *Bossier Parish (Louisiana)*.

Conversely, the schools at Fort Lee, Va., are now desegregated as the result of a favorable ruling in *United States* v. *Board of Education of Prince George County*.

The Division also appeared as *amicus* in *Parker* v. *Franklin*, in which the district court ordered a Negro student admitted to Auburn University in Alabama. In affirming the district court's order, the court of appeals rejected the university's contention that Franklin was ineligible because he had attended a nonaccredited college. The court found that the university regulation was in fact racially discriminatory because Franklin had been barred from the only accredited schools on account of his race.

The Department was also *amicus* in two other important school desegregation cases. In *Griffin* v. *County School Board*, the Supreme Court, reversing the decision below, ordered the reopening of the Prince Edward County, Va., schools which had been closed since 1959 to evade desegregation orders. In *Calhoun* v. *Latimer* the Department challenged Atlanta's grade-a-year desegregation plan on the ground that there was no justification for commencing a 12-year plan so many years after the formula of "all deliberate speed" had been enunciated by the Court. The policy of initial assignments by race, which requires Negroes to apply for transfers to desegregated schools was also attacked. The Court remanded the case to the district court for further consideration of the present desegregation program.

Another significant case in which the Division participated is *United States* v. *Barnett and Johnson*, a criminal contempt proceeding arising from Governor Barnett's attempt to thwart a court order requiring the University of Mississippi to admit James H. Meredith in October 1962. The Government brought the action in the Court of Appeals for the Fifth Circuit at that court's request. The members of the court disagreed on whether the defendants were entitled to a jury trial and the question was certified to the Supreme Court. The Supreme Court answered the question in the negative, and the case was remanded to the court of appeals where it is now awaiting trial.

4. Race and interstate commerce

Although complaints of individual acts of racial discrimination are still received, the systematic discrimination which had been practiced until very recently in facilities of interstate commerce in a large number of southern communities has ceased. We expect that the isolated problems which arise will be solved without litigation.

5. The Division as amicus curiae

In addition to its participation as *amicus* in school desegregation cases, the Division prepared briefs for the Supreme Court and courts of appeals in a variety of important cases involving such matters as arrests for civil rights demonstrations, reapportionment, and hospital desegregation.

Since "sit-ins" began in Greensboro, N.C., in 1960 this tactic has been used to press for desegregation of numerous commercial establishments throughout the Southern and border States. Arrests of demonstrators resulting in State criminal prosecutions have raised difficult legal questions and led to Supreme Court review of convictions in a variety of contexts.

During fiscal 1964, the Court requested, and the Department submitted, comprehensive briefs on various problems raised by five of these cases: *Robinson* v. *State of Florida*, *Barr* v. *City of Columbia* (South Carolina), *Bouie* v. *City of Columbia*, *Griffin* v. *State of Maryland*, and *Bell* v. *State of Maryland*. In each instance the State criminal conviction was reversed.

In another significant case, *Simkins* v. *Cone Memorial Hospital*, the Court of Appeals for the Fourth Circuit upheld the Government's position that a hospital, by accepting Federal funds under the Hill-Burton Act, is precluded from rejecting patients because of their race. It held that the "separate but equal" provision of the Hill-Burton Act, which purports to sanction such discrimination, is unconstitutional.

In *Independent Metal Workers Local* v. *Hughes Tool Company*, in which the Government filed yet another *amicus* brief, the National Labor Relations Board ordered the decertification of a local union which had refused to act as bargaining agent for a Negro employee. It also held any new certification to be contingent on the local's adoption of open membership policies. The decision upheld the Government's position that racial discrimination in representation constitutes an unfair labor practice. This decision foreshadowed the enactment of title VII of the 1964 act forbidding this same practice.

6. The Federal custody unit

All legal and administrative questions which arise between the time of arrest of a Federal prisoner to his final discharge, are within the jurisdiction of this units of the Civil Rights Division. Its attorney handled 1,100 Federal custody matters during the year, 50 more than the previous year and 250 more than fiscal 1962. Direct assistance was given U.S. attorneys in 220 cases and matters.

This unit also defends suits brought by Federal prisoners in the District of Columbia courts against the Board of Parole and the Bureau of Prisons. Such suits usually seek relief against revocation of parole or conditional release. During the year 75 such court actions were handled directly by the staff, an increase of 5 over the preceding year. No increase in funds or personnel is anticipated for this activity.

7. Criminal jurisdiction

The General Litigation Section, responsible for the enforcement of the criminal statutes assigned to this Division, experienced an increased workload during the year, partly because the functions and personnel of the Voting and Elections Section were absorbed during the year.[2] During the year 2,656 complaints relating to criminal matters were received, an increase of 201 over the previous year. The Section terminated 2,863 matters, leaving a total of 494 pending. Twenty-one criminal cases were filed and 15 were terminated, with 21 cases pending. Of 37 matters presented to grand juries, indictments were returned in 20.

In 11 cases the defendants were found not guilty, three indictments were dismissed, and in one case the defendants were convicted.

In *United States* v. *James Ramey, et al.*, a constable in Wayne County, W. Va., went to the home of a Republican election official shortly before the polls opened on the morning of the general election of November 6, 1962, and arrested him on a fictitious charge of rape. The warrant was issued by Louise Ramey, justice of the peace and wife of the arresting constable. The couple were charged with conspiring to deprive the election official of his freedom to officiate at the polls during the election at which the constable was a candidate. Louise Ramey was found guilty of conspiracy to violate 18 U.S.C. 242 and received a suspended sentence of 1 year. The jury found James Ramey guilty under section 242 and the conspiracy section (18 U.S.C. 371) and he received 1 year on each of the two counts, to run consecutively. The conviction was appealed in June to the Court of Appeals for the Fourth Circuit. No decision has been announced.

8. Miscellany

The Division keeps a close and continuing watch on civil rights demonstrations which totaled 2,422 in almost all States during the year ending in April 1964. Although the personnel of the Division have rarely been called upon to deal formally with these problems, staff members have occasionally acted as observers and mediators.

The correpondence received and processed by the Division continues to increase. The wide public interest in civil rights is reflected in the 60,903 communications received and processed by this Division in fiscal 1964. This compares with the 54,330 received and processed the preceding year, while in fiscal 1960 total incoming mail amounted to 13,398. Communications are being received at a greater rate than ever. During the month of July 1964 this Division received and processed 7,671 incoming pieces at a projected rate of 92,000 communications for fiscal 1965. The July correspondence included 369 complaints, 245 under title II relating to public accommodations and 31 under title III relating to public facilities. The handling of complaints and answering cor-

[2] Since the end of the fiscal year enforcement of criminal statutes applicable to election frauds and election political activity which do not involve discrimination or intimidation on grounds of race or color were transferred to the Criminal Division (Department order No. 318–64, as amended July 30, 1964).

respondence will continue to be a substantial workload problem until the Division staff is enlarged.

The intensified activity by the Division is further evidenced by the 7,200 hours of paid overtime reported for the clerical staff during the fiscal year. This approximates a tripling of the 2,448 hours of paid overtime worked in fiscal 1962. Unpaid overtime hours worked by the professional staff were estimated at more than 50,000 during the year, both in Washington and in the field. Division personnel were in travel status for a total of 2,572 days as against 1,466 in fiscal 1962.

C. New tasks and new tools—The Civil Rights Act of 1964

Our society promises equal rights to all Americans. The inadequacies of existing laws prevented the fulfillment of that promise and led to the introduction and passage of the Civil Rights Act of 1964. It was signed into law on July 2, and the responsibility for its implementation rests primarily on the Civil Rights Division.

Title I, "Voting Rights," builds upon the provisions of the acts of 1957 and 1960. It forbids local officials—in determining whether persons are qualified to vote in Federal elections—to apply standards or procedures different from those applied to others in the same political subdivision, or to disqualify applicants for errors or omissions that are immaterial to their substantive qualifications for voting. It also requires that literacy tests be in writing and that a copy be furnished the applicant if he requests it. The Attorney General is authorized to consult and enter agreements with officials of the States as to whether the provisions of their laws comply with Federal requirements.

Also, if an applicant's literacy is relevant in a proceeding under the act, persons who have completed the sixth grade in an accredited English-speaking school are presumed to be literate. In effect, this provision requires local officials to justify the rejection of such an applicant.

The remaining provisions of title I are aimed at a problem that has seriously inhibited the effectiveness of the earlier acts: the law's delays.[3] In proceedings in which the Attorney General asks for a finding of a pattern or practice of discrimination in the denial of voting rights, any party may secure the convening of a three-judge district court which is obliged to hear and decide the case expeditiously. Its judgment is directly appealable to the Supreme Court. If no party invokes the three-judge court provision, an expeditious hearing and judgment are nevertheless required.

Expedited hearings have been requested by the Department in the five voting rights cases brought since the passage of the act. Although sweeping predictions about the effects of title I on the legal and factual problems in these cases would be premature, it is clear that the workload of the Division will be intensified because the thorough preparation of each case will have to be accomplished in a shorter time.

Title II breaks important new ground by guaranteeing to all persons freedom from segregation or discrimination, on account of race, religion, or national origin, in places of public accommodation. The statute reaches commercial establishments including hotels, restaurants, theaters, and gasoline stations, which affect interstate commerce or whose discriminatory policies are supported by "State action." Another section, in effect, forbids third persons to interfere with the free exercise of the rights secured.

Acceptance of law is preferable to enforcement, and so provision is made for initial action by State agencies and the Community Relations Service (see title X below). However, private persons are authorized to invoke the Federal judicial power to secure their rights and the courts may authorize the Attorney General to intervene in important cases. Moreover, the Attorney General may institute actions against a "pattern and practice" of resistance to the act, and he may secure the convening of a three-judge court to decide important cases expeditiously, with direct appeal to the Supreme Court. The prompt compliance with this law in all parts of our country reflects the national consensus that all persons ought to be on equal footing in America's public sector. It is significant that resistance to this rule of law has not come from large groups or

[3] For instance, the Panola County, Miss., registration case, *United States* v. *Duke*, was filed in October 1961. Trial was not had until March 1963, and effective relief from the local officials' illegalities was not secured until after review by the Court of Appeals in May 1964. Worse, the Forrest County case, *United States* v. *Lynd*, was filed in July 1961, and the Government's motion for a permanent injunction has not yet been decided on the merits by the district court.

wide areas, but from isolated handfuls of individuals. For the most part, businessmen and local officials have met their responsibilities. In many instances they have drawn on the Department's experience to foresee and avoid problems, but it is they who have delivered progress.

On the other hand, the Department is already involved in 10 lawsuits: as a defendant in three—Atlanta, Ga.; Baton Rouge, La.; and Birmingham, Ala.; and as plaintiff in seven—Atlanta, Ga.; Tuscaloosa, Ala.; Clarksdale, Miss.; and two each in Greenwood, Miss.; and Selma, Ala.

The constitutionality of title II was upheld by the district court in *The Pickrick & Maddox* v. *Willis et al.*, and Justice Black, for the Supreme Court, declined to disturb that ruling.

In a few areas individuals are still discriminated against, on account of race, religion, or national origin, in their use of facilities owned or operated by public authorities. Title III authorizes the Attorney General to secure judicial relief against such discrimination, in facilities other than schools, if the complainants are unable to do so because of poverty, fear, or their inability to obtain effective counsel.

Title IV at last involves the Federal Government affirmatively in public school desegregation, which has proceeded tortuously since the Supreme Court decision 10 years ago. Various new programs are authorized, principally through the Commissioner of Education, to assist desegregating school systems. In addition, the Attorney General may now institute school desegregation suits upon receiving complaints from parents who are unable, as in title III, to do so. Also as in title III, third persons who are interfering with the desegregation process may be impleaded as defendants to insure the effectiveness of the relief granted.

Title V adjusts the procedures of the Civil Rights Commission and extends its life to 1968.

Title VI forbids discrimination in certain federally assisted programs and authorizes affected Federal agencies to promulgate regulations that are consistent with the objectives of the statute. Agencies are to withhold funds from recipients who refuse to abandon discriminatory practices, and judicial review of agency action is provided for.

Title VII forbids employers, unions, and employment agencies to discriminate against persons because of their race, religion, sex, or national origin. July 2, 1965, is the effective date of this title and its coverage of unions and employers increases annually until organizations of 25 or more persons are bound by 1968 and thereafter. A five-member Equal Employment Opportunity Commission is established to administer the new requirements.

As is true throughout the 1964 act, voluntary compliance is the keynote of this title and the first opportunity to resolve problems goes to parallel State and local laws.

The Attorney General may institute civil actions for relief in the district courts against those "engaged in a pattern or practice of resistance" to full enjoyment of the rights secured, and he may secure an expeditious three-judge court hearing, with direct appeal to the Supreme Court, as in other titles. In addition, the Attorney General may intervene in important private actions at the request of the Commission or upon his own motion.

Important, needed information will be supplied by the provisions of title VIII, which authorize the Secretary of Commerce to secure registration and voting statistics by race and national origin in areas recommended by the Civil Rights Commission.

Orders remanding privately removed cases from Federal to State courts, are since the adoption of title IX, newly subject to Federal appellate review. The second section of this title authorizes the Attorney General to intervene in important district court actions based upon alleged denials of equal protection of the laws on account of race, religion, or national origin. This, too, increases the responsibilities of the Civil Rights Division.

Title X creates a Community Relations Service within the Department of Commerce. It will function cooperatively with State and local agencies, primarily to bring about voluntary compliance with titles II and III of the act, "whenever * * * peaceful relations among the citizens of the community involved are threatened [by a sometimes difficult transition]."

Title XI, "Miscellaneous," regulates procedures governing certain criminal contempts arising under the act, forbids a class of criminal prosecutions as constituting double jeopardy, specifies Congress' intent with respect to the act's effect on existing State and Federal laws, and authorizes appropriations necessary to implement the act.

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	208	184	245	191	240
Received	271	247	236	350	400
Terminated	295	186	290	301	340
Pending end of year	184	245	191	240	300
Matters:					
Pending beginning of year	690	969	926	1,019	1,800
Received	3,143	3,911	4,136	5,000	6,000
Terminated	2,864	3,954	4,043	4,219	6,500
Pending end of year	969	926	1,019	1,800	1,300

INCREASE REQUESTED

Mr. SLACK. The request is for $2,452,400, an increase of $243,800 over the adjusted appropriation for the current fiscal year.

What do you have to say about this request for $2,452,400, Mr. Doar?

Mr. DOAR. The request is based upon financing our operation at its present level of employment on a full fiscal year basis.

POSITION COSTS

Mr. SLACK. You might also speak to the increases set forth on pages 18–3 and 18–4 of the justifications and tell us about the need for the requested 109 new positions?

Mr. DOAR. With respect to the positions, there is no increase in positions, Mr. Congressman.

Mr. SLACK. I am speaking of the full-year cost.

Mr. DOAR. This is computed on the cost of the salaries of these 109 positions for a full year as contrasted to what the committee and the Congress allowed us last year for just a partial year.

Mr. SLACK. How many positions were in this Division 4 years ago, Mr. Doar?

Mr. DOAR. Mr. Congressman, when I came to the Division in July of 1960, if my memory serves me right, there were 30 lawyers and 29 clerks, about 59 positions.

Mr. SLACK. How many positions were there in 1962?

Mr. DOAR. I believe that in 1962 we had approximately 78 positions.

Mr. SLACK. And how many positions do you have today?

Mr. DOAR. You mean how many are authorized today?

Mr. DOAR. 217 positions.

Mr. SLACK. And how many do you have on board?

Mr. DOAR. We have 157 actually on board and we have another 28 lawyers hired that are in the process of coming on board. And we have a number of additional secretaries that are in the process of being employed.

WORKLOAD

Mr. SLACK. Referring to your workload sheet on page 18–26, you might tell us something about the cases pending at the beginning of this year. We note you have an estimate of 191 for 1965 against 245 for 1964. What are your cases to date in 1965?

Mr. DOAR. Well, the cases that are pending are the cases involving suits under 42 U.S.C. 1971 involving voting.

Mr. SLACK. I am speaking of the number of cases to date in 1965 that are pending.

Mr. DOAR. Right now we have 231 cases pending.

Mr. SLACK. 231?

Mr. DOAR. Yes.

Mr. SLACK. How many did you receive in the first 6 months of this year?

Mr. DOAR. We received, according to our statistical records, 113 cases.

Mr. SLACK. 113?

Mr. DOAR. Yes.

Mr. SLACK. Then how do you jibe that with the 350 estimate for the end of the year?

Mr. DOAR. It would seem to me that 350 estimate is too high. It does not jibe with the statistics of work production that has been established through the first 6 months of this fiscal year.

Mr. SLACK. There is quite a difference.

Mr. DOAR. There certainly is; there certainly is. It may be that with respect to public accommodation suits, Mr. Congressman, when this budget was prepared the judgment of the people who prepared it was we would have more public accommodation cases than we have had. We have had 595 or 596 complaints in the public accommodations field, but the cases we have brought have only been 10 or 11. In many of those complaints we have had preliminary or full FBI investigations and as a result of those investigations we have indications that the public accommodation involved intended to change their policy and comply with title II of the Civil Rights Act of 1964, and therefore we have tried not to bring suits where we could avoid it.

I think the judgment of the man that worked on this estimate was that we would have more public accommodation cases than we have actually experienced in the first 6 months of 1965.

Mr. SMITH. Will the gentleman yield?

Mr. SLACK. Yes.

Mr. SMITH. Has it not been the history of public accommodation laws in the States that very, very few violations come to trial?

Mr. DOAR. That has been the history and that has been our history, although we do have in the smaller towns in the Deep South not a very good record to date of substantial compliance. We have not had too many complaints from these small towns, but there are indications in some of the rural areas that more work in education needs to be done to get the businessmen to change their policies.

Mr. FLYNT. Do you consider that a part of the responsibility of your Division?

Mr. DOAR. Not formally, but I do consider it part of our responsibilities that in a situation where we have a possibility of a lawsuit against a businessman in any part of the country to try to obtain voluntary compliance if we can.

Mr. ROONEY. That is fundamentally the responsibility of Governor Collins and his outfit, is it not?

Mr. DOAR. That is right, but we would refer this particular matter to Governor Collins or recommend informally that the community seek the assistance of Governor Collins.

Mr. FLYNT. Even if you had no complaints?

Mr. DOAR. No; not if we had no complaints, we would not.
Mr. SLACK. Mr. Smith?

CENSUS ON VOTER REGISTRATION

Mr. SMITH. We had a request from the Census Bureau for, I believe, $7.5 million to conduct some surveys in certain States. Of course under the provisions of the law, only certain questions can be asked, with which I am sure you are fully acquainted. Suppose they do conduct those surveys and those are the only questions that can be asked, you still will not have the evidence that you need to go into court, will you?

Mr. DOAR. Are we speaking now about voter registration?

Mr. SMITH. Yes. In other words, if you are not able to find out how many really wanted to register, would you have enough admissible evidence? Could you not get this limited evidence by hiring somebody to conduct a scientific poll?

Mr. DOAR. I think the only evidence the Census Bureau could obtain, if I understand it correctly, is the actual number of people in a county who are registered, and that is by race, I suppose.

Mr. SMITH. The real question is, in view of the fact that they are so limited in the questions to be asked what good is the product to you in going in court?

Mr. DOAR. We have in the past used as a basis for conducting investigations statistics with respect to the number of persons registered by race in relation to the total number of people in the county. We have never brought a case on statistics alone. In each case that we have brought we have used proof of actual discrimination rather than argued that the statistics in and of themselves prove anything.

Mr. SMITH. So you have to have further evidence in addition to the statistics?

Mr. DOAR. Well, in some cases in the courts in the South, the Court of Appeals in the Fifth Circuit has said that statistics standing alone, if they are very out of line, for example, if there were no Negroes registered in a particular county, that would be in and of itself substantial evidence of discrimination.

Mr. SMITH. You think, then, that spending this $7.5 million to secure these statistics would not get you the evidence you need? Could you not secure evidence which you could use just as well by spending a relatively small amount for a scientific poll?

Mr. DOAR. I do not know that you could do that, but I would think this: If I were conducting that sort of a census I would want to see first what information the Department of Justice has already obtained with respect to statistics.

Mr. SMITH. Has this request of the Census Bureau been reviewed with you to see whether what they will secure will do you any good?

Mr. DOAR. It has not been reviewed with me. I am not familiar with the details Mr. Marshall discussed with the Census Bureau last year. He discussed some of their plans with respect to taking a census but I am not familiar with this. I could find that out and supply you an answer.

Mr. SMITH. I realize you are new in this position. It just seemed to me, they are asking for $7.5 million which may not secure evidence

which is any more valuable than you could secure by spending $30,000, perhaps, for three scientific surveys.

Mr. DOAR. I do not know about the scientific surveys but I know in some counties they would not be able to get any more than we could get from photographing the voter records or, in the State of Louisiana, from taking a count that is filed monthly with the State registrar of voters.

Mr. SMITH. Would you make some kind of report on this for the record?

Mr. DOAR. Yes.

(The following was submitted for the record:)

Voting age and registration statistics by race are vital to our litigation effort. We could not prove our cases without them. The 1960 census gives us a satisfactory approximation of the voting age figures in a particular State or in a particular county, and we can obtain the registration figures from records maintained by the State and the parishes, as in Louisiana, from the books and records of the local registrars in Mississippi, and from the books and records of the registration board and the probate judge in Alabama. This is easiest in Louisiana, where the State maintains accurate monthly statistics by race, and hardest in Mississippi, where the 1960 legislature eliminated racial designations from the registration books. In some counties, these records are accurate, and the race of the registrants is listed. In others, the racial identification is missing. In many counties, the books are inaccurate, in that they are not purged on a systemic basis.

To the extent that a census would give us accurate figures in every county, we would be relieved of some work. Where accurate records by race are not maintained, a census or survey would be very helpful. It takes a considerable amount of time on our part to develop accurate registration records where the race of the registered voter is not found on the books and records.

There are no statistics on the number of persons who voted by race in any of these three States, except for certain counties in Mississippi, where poll books by race are maintained. But an accurate count of persons who actually voted is not of major importance to us except in intimidation cases. There we are usually able to obtain satisfactory estimates through ordinary discovery procedures under the Federal Rules of Civil Procedures.

Finally, to make these counts of the number of registered voters by race and the number who actually voted by race really meaningful, it would be necessary to have information as to the education and literacy level of those persons in the counties who did not register or who did not vote. This is because we have cases pending where we claim that the long years of unequal educational opportunities afforded to Negroes have prevented them from passing the current literacy test in Louisiana, Alabama, and Mississippi.

We understand Mr. Marshall discussed all of this with the Civil Rights Commission and with the Bureau of the Budget and indicated to them his view as to how the educational and literacy information would make the statistics of greater value.

Mr. SLACK. Mr. Flynt?

COMPLAINTS UNDER OATH

Mr. FLYNT. Is it still policy on the part of the Department of Justice that complaints of violations of the Civil Rights Act need not be made under oath?

Mr. DOAR. We have never had that policy.

Mr. FLYNT. It is true that complaints for almost all other violations are required to be under oath. Is that correct?

Mr. DOAR. I am not aware of that; no sir.

Mr. FLYNT. Well, all warrants that are sworn out I believe have to be under oath?

Mr. DOAR. Because there is some action taken on the warrant, but there is no action taken by the Department of Justice on the complaint alone.

Mr. FLYNT. Would not a great deal of your work be made unnecessary if you did require that complaints be made under oath?

Mr. DOAR. No, I do not think so; I do not think so.

Mr. FLYNT. Would it not be a little bit more conducive to obtaining more accurate allegations of violations?

Mr. DOAR. It has not been my experience that we have been troubled very materially with inaccurate unsworn complaints. In the voting field we investigate a county thoroughly and carefully before we take any kind of action, and it would be impossible, Mr. Congressman, for a particular complainant to make a fair complaint about a particular picture in a county, because he just does not have the facts. All he may know is what happened to him, but he would not know what happened to the other people who go to get registered, nor would he know what happened the year before.

Mr. FLYNT. I am referring to the case—and I am sure you are familiar with it—where certain complainants unquestionably perjured themselves in making statements, both as the basis for a complaint and in their appearances before a grand jury in the State of Mississippi, and the Department of Justice, perhaps the Civil Rights Division of the Department of Justice, has protected these people in every way possible from prosecution for perjury.

Mr. DOAR. Mr. Congressman, I am in a difficult position to respond to that question because of the secrecy of the grand jury proceeding, and I respectfully do not believe your statement is accurate with respect to what the Department of Justice has done.

Mr. FLYNT. I understood the Department of Justice refused to permit the indictment of these people, not on the basis they do not perjure themselves, but for other reasons.

Mr. DOAR. That is not true; that is not true.

Mr. FLYNT. Was not that statement made in open court in the District Court of Mississippi?

Mr. DOAR. No, it was not; not to my knowledge.

Mr. FLYNT. Do you feel that all witnesses should be required to adhere to the truth in appearing as witnesses before a grand jury in civil rights cases as well as in other cases?

Mr. DOAR. I certainly do.

Mr. FLYNT. Was it your Division that requested these people not to be indicted?

Mr. DOAR. No. The investigation with respect to the two people you refer to, the investigation and the recommendation were made by the Criminal Division of the Department of Justice.

Mr. FLYNT. What part did your Division play in it?

Mr. DOAR. Well, we kept abreast of the situation and we were the attorneys that were putting on the case where the alleged incident occurred.

Mr. FLYNT. And you made recommendations?

Mr. DOAR. No, I do not believe so; no, we did not. The recommendations were made by the Criminal Division.

Mr. FLYNT. The Assistant Attorney General in charge of the Criminal Division did not ask for your views and recommendations on that?

Mr. DOAR. I discussed the matter with some attorneys in the Criminal Division, yes, I did.

Mr. FLYNT. I think it is proper that you did, and you recommended against prosecution?

Mr. DOAR. Yes; I did. But might I add it was not my recommendation that made the determination. The responsibility for that was in the Criminal Division.

Mr. ROONEY. Is there an indictment in connection with this matter or matters pending at the present time? I just want to be sure we are not doing something here we do not usually do in discussing particular cases.

Mr. DOAR. I cannot give you an answer one way or another on that.

Mr. FLYNT. We can take out anything that should not be on the record.

Mr. ROONEY. Usually the Department of Justice will give us all the facts of a case as they see them, but off the record, because it might prejudice either side in the lawsuit.

Mr. SLACK. Mr. Andrews?

REQUEST FOR ADDITIONAL STAFF

Mr. ANDREWS. You got a doubling of your budget over the last 2 years yet your workload shows very little, if any, increase.

Where does the need come for the additional staff?

Mr. DOAR. The statistical workload is not in all cases meaningful in our Division. For example, with regard to a voting case in a county we count that as one complaint. And with respect to all the complaints that might come in in regard to one place of public accommodation, we treat that as one. We had additional responsibilities under the 1964 Civil Rights Act with respect to places of public accommodaton, public facilities, and schools, and then our voting cases. The number of cases and the number of days we are in court have been accelerating. That was the basis on which we made the request for additional appropriations.

Mr. ANDREWS. That is all.

Mr. ROONEY. I have a question or two.

VOTER REGISTRATION CENSUS

Mr. Doar, are you familiar with the fact that it was the Civil Rights Commission that recommended the registration and voting statistics survey in three certain Southern States? It was not the Department of Justice; it was the Civil Rights Commission. Are you familiar with that?

Mr. DOAR. I understand that to be the fact.

Mr. ROONEY. And in a letter to the Secretary of Commerce under date of December 10, 1964, the Chairman of the Civil Rights Commission recommended a registration and voting statistics survey covering Alabama, Louisiana, and Mississippi to provide a count of all persons of voting age and a determination of the following information for each such person: (1) Citizenship; (2) residence; (3) years of school completed; (4) race and color; (5) whether registered to vote in Federal elections; (6) whether voted in most recent statewide

primary and general election in which Members of the U.S. House of Representatives were nominated or elected.

Is such information of advantage to the Department of Justice and, if so, in what respect?

Mr. DOAR. The number of people that are registered by race is of advantage to the Department of Justice; yes, sir. We usually obtain that information by photographing the registration books of the various counties, or we get the information either from the secretary of state or some other department of the State government.

Whether or not a person actually voted would be relevant, perhaps, on a question of whether or not there was intimidation against a particular group of citizens in an area, but it would not really have much probative value and we could not go into court on the basis of the statistics alone to prove that some particular individuals in a county had the purpose to intimidate.

I do not know about the other subdivisions you asked about.

Mr. ROONEY. When you say you "do not know," do you mean you have forgotten them since I asked the question?

Mr. DOAR. Yes.

Mr. ROONEY. (1) Citizenship?

Mr. DOAR. I do not think that would be of significant importance to us.

Mr. ROONEY. (2) Residence?

Mr. DOAR. Well, that would be of some help but we generally assume, and the courts accept, that the census statistics taken every 10 years determine the number of residents in the county and that is within a few percentage points of being accurate. I would not think that would be important.

Mr. ROONEY. (3) Years of school completed?

Mr. DOAR. Well, we have in our cases now a theory—and it is just a theory at this time—that a State is prohibited from increasing the difficulties or the contents of literacy tests in areas where a minority group was discriminated against by being kept off the voter registration rolls and where the educational facilities were unequal and inferior to that particular group.

We claim that under those circumstances, the Constitution does not permit the State to adopt for unregistered voters very, very difficult intelligence tests to determine qualification of voters. That would be of some assistance to us on that theory.

Mr. ROONEY. That is all I have at the moment.

Mr. SLACK. If there are no further questions, gentlemen, we thank you.

Mr. DOAR. Thank you very much.

Mr. SLACK. We shall now recess until 2 o'clock this afternoon.

AFTERNOON SESSION

SALARIES AND EXPENSES, ANTITRUST DIVISION

TUESDAY, MARCH 2, 1965.

WITNESSES

WILLIAM H. ORRICK, ASSISTANT ATTORNEY GENERAL
PHILIP J. BASSFORD, EXECUTIVE ASSISTANT

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	5,365	5,797	5,836
11.3	Positions other than permanent	51	47	60
11.5	Other personnel compensation	25	25	25
	Total personnel compensation	5,441	5,869	5,942
12.0	Personnel benefits	403	421	721
21.0	Travel and transportation of persons	245	280	280
22.0	Transportation of things	11	12	12
23.0	Rent, communications, and utilities	126	127	127
24.0	Printing and reproduction	59	61	61
25.1	Other services	184	190	190
25.2	Services of other agencies	13	15	15
26.0	Supplies and materials	44	45	45
31.0	Equipment	38	52	52
	Total costs, funded	6,564	7,072	7,130
94.0	Change in selected resources	26		
99.0	Total obligations	6,590	7,072	7,130

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	608	614	614
Full-time equivalent of other positions	5	6	6
Average number of all employees	563	557	554
Average GS grade	9.8	9.9	9.9
Average GS salary	$9,779	$10,461	$10,588

Program and financing

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate
Program by activities:			
Enforcement of antitrust and kindred laws (program costs, funded)	6,564	7,072	7,130
Change in selected resources [1]	26		
10 Total obligations	6,590	7,072	7,130
Financing:			
25 Unobligated balance lapsing	9		
New obligational authority	6,599	7,072	7,130
New obligational authority:			
40 Appropriation	6,600	6,854	7,130
41 Transferred to "Operating expenses, Public Buildings Service," General Services Administration (77 Stat. 436)	−1		
43 Appropriation (adjusted)	6,599	6,854	7,130
44 Proposed supplemental due to civilian pay increases		218	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	6,590	7,072	7,130
72 Obligated balance, start of year	471	538	630
74 Obligated balance, end of year	−538	−630	−760
77 Adjustments in expired accounts	−18		
90 Expenditures excluding pay increase supplemental	6,506	6,780	6,982
91 Expenditures from civilian pay increase supplemental		200	18

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, $4,000 (1964 adjustments, −$1,000): 1964, $29,000; 1965; $29,000: 1966, $29,000.

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

The next item, gentlemen, is to be found at page 92 of the committee print and under tab 19 of the justifications book.

It is for "Salaries and expenses, Antitrust Division." The request is in the amount $7,130,000 which would be an increase of $58,000 over the adjusted appropriation for the current fiscal year.

We shall at this point insert in the record pages 19–1 through 19–25 of the justifications book.

(The pages follow:)

Salaries and expenses, Antitrust Division

Appropriation, 1965	$6,854,000
Proposed pay act supplemental	218,000
Appropriation adjusted, 1965	7,072,000
Estimate, 1966	7,130,000
Increase	58,000

PROGRAM AND PERFORMANCE

Enforcement of antitrust and kindred laws.—This Division administers and enforces the antitrust laws and related statutes. Actual and estimated caseloads are indicated in the following table:

Cases	1963 actual	1964 actual	1865 estimate	1966 estimate
Pending, beginning of year	180	154	153	163
Filed	62	64	80	80
Terminated	88	65	70	70
Pending, end of year	154	153	163	173

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 of trial and civil and criminal cases, the prosecution of appeals, and the negotiation and enforcement of final judgments. The Division also is charged with the enforcement of numerous so-called kindred laws. This requires the supervision and direction of litigation arising under a number of regulatory acts, participation in hearings before several administrative boards, such as the Interstate Commerce Commission, and the prosecution of appeals from the orders of such boards. The Division also has responsibility for studying, reporting, and advising on the anticompetitive aspects of Government and industry activities connected with national defense, the Interstate Oil Compact, the Small Business Administration, and the disposal of Government-owned rubber producing facilities and surplus property. In addition, the Division is charged with reporting periodically to the President and the Congress on the status of the identical bid program, involving identical bids in excess of $10,000 to public agencies. The Division is also required to file reports on the competitive factors with Congress and the appropriate bank regulatory agencies involved 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.

Workload

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	137	180	154	153	163
Filed	73	62	64	80	80
Terminated	30	88	65	70	70
Pending end of year	180	154	153	163	173
Matters (investigations):					
Pending beginning of year	566	460	481	508	535
Instituted	336	376	432	452	472
Terminated	442	355	405	425	445
Pending end of year	460	481	508	535	562

The sum of $7,130,000 is requested for the fiscal year ending June 30, 1966, to permit the Antitrust Division to continue its program of enforcement and to perform its other functions. This exceeds by $58,000 the amount required for the 1965 fiscal year. All of the increases requested are needed to comply with statutory provisions relating to the compensation and benefits of existing personnel as set forth below and no additional positions are being requested.

Cost of statutory provisions:

Within-grade promotions	$52,000
Personnel benefits	6,000
Total	58,000

GENERAL STATEMENT

The fiscal year ending June 30, 1964, was one of important accomplishment in the field of antitrust enforcement. It surpassed the previous year in some important respects.

During 1964, 64 antitrust cases (41 civil and 23 criminal) were filed in Federal district courts, as compared with 62 (39 civil and 23 criminal) the previous year. Those filed included 10 merger cases and 27 alleging price fixing. In addition, the Division filed nine other actions which, although not actually "antitrust" cases, did grow out of an investigation into alleged antitrust violations. These cases are civil penalty actions in which the Government seeks to recover damages for violating an order of the Federal Trade Commission.

In the same period, 65 antitrust actions were terminated (38 civil and 27 criminal). There were four additional cases in which the consent decree had been signed by one or more but not all the defendants or in which the suit had been settled but not terminated due to the 30-day waiting period. Of the 38 civil cases closed, 33 were won, 1 lost, and 4 dismissed on motion by the Government;

22 of the 27 criminal actions were won, 4 lost, and 1 was dismissed on the Government's motion.

Twenty-one district court cases were actually tried or at trial during 1964, as compared with 16 during 1963 and 12 in 1962.

By the end of June 1964 there were 153 antitrust cases pending in district courts (115 civil and 38 criminal), as compared with 154 (112 civil and 42 criminal) on June 30, 1963.

In addition to district court litigation, the Division presented two cases during the fiscal year to the circuit courts of appeals, one of which was lost; one case was pending on June 30, 1964.

When fiscal year 1964 commenced, the Division's docket of cases in the Supreme Court was next to the heaviest in history with six pending on file. Four more were filed during the year, and eight closed. All those closed were won. Two were awaiting mandates at the end of the period, after opinions upholding the contentions of the Government.

Division attorneys were in courts 2,173 days during the fiscal year, as compared with 1,643 days in 1963. Fifteen grand jury investigations into alleged antitrust violations were begun during 1964, 41 closed and 36 still uncompleted at year's end. Seventy-three FBI investigations were initiated, 90 closed and 108 open on June 30, 1964. Three hundred and forty-four staff investigations were opened and 274 closed during the same period. On June 30, 1964, 364 such inquiries were still pending. The 432 investigations of all types initiated during the year are the highest of any year in history. Four hundred and five investigations were closed and 508 were still pending when the year ended.

Fines and recoveries in antitrust actions aggregated $2,043,950, including $185,000 recovered through settlements in the damage cases. Excluding moneys collected through settlements of the damage cases against members of the heavy electrical industry, fines and recoveries during 1964 were the highest in history.

Jail sentences were imposed on eight defendants in four cases. Although sentences were suspended in five instances, three defendants were required to serve such sentences. (See exhibit N–1.)

The Antitrust Civil Process Act has been a helpful tool in ascertaining the facts surrounding suspected violations of the antitrust laws. Under the statute, the Division may, prior to the initiation of any court proceeding, issue a civil investigative demand to a firm under investigation for the production, examination, and copying of documentary material deemed relevant to a civil antitrust investigation.

The first demand was issued in November 1962. From that time through the end of fiscal year 1963, 126 demands were issued; 254 such demands were issued during the 1964 fiscal year.

Following the text of the justification are charts, workload tables, and statistics providing additional details relating to these matters.

The Division examined and investigated a large number of corporate mergers during the 1964 fiscal year; 1,355 were examined and 231 referred to litigating sections for investigation.

154 cases involving the so-called kindred laws were pending at the beginning of the fiscal year and 132 were initiated; 108 such cases were closed during that time and 178 awaited termination on June 30 last.

The time of several litigating attorneys was spent in proceedings before Federal regulatory agencies. Members of the staff have actively participated in six regulatory agency matters involving proposed mergers or control situations. The Division intervened in two other regulator matters and, during the fiscal year, was actively engaged in four investigations dealing with anticompetitive practices in regulated industries. Other inquiries in similar matters were inactive during the year or did not reach investigative status.

In addition to the litigation, investigations, and regulatory proceedings described above, a substantial part of the time of the staff was devoted to a large variety of other matters.

For example, the Assistant Attorney General in charge of the Antitrust Division made seven appearances before congressional committees for the purpose of giving testimony on subjects of concern to the Division. Division personnel prepared 196 reports for the Congress relating to proposed or pending legislation and answered 1,198 letters of inquiry from Members of the Congress, almost twice the number (617) answered during the preceding fiscal year.

In addition, 57 requests relative to the transfer of surplus property were received and processed (34 of these provided advice to Defense agencies); 159

reports were made to the Treasury Department, the Federal Reserve Board, and the Federal Deposit Insurance Corporation under the Bank Merger Act of 1960 on proposed bank mergers. Twelve reports were prepared for other agencies involving dual rate contracts, procurement of services, proposed regulations, patent and petroleum matters, and the like. Six reports were prepared for the Congress (including four on Defense Production Act voluntary agreements, one on the interstate compact to conserve oil and gas, and one relating to synthetic rubber facilities).

Members of the staff also have participated in the activities of the White House Committee on Small Business, the Interdepartmental Committee on Transportation Mergers, and the Interagency Petroleum Study Committee.

The Division received 15 Federal Trade Commission requests for institution of civil penalty actions for violations of Commission orders; 12 of these were reviewed and forwarded to U.S. attorneys for filing. During the year 14 such cases were terminated resulting in judgments aggregating $71,500; 25 such cases were pending on June 30, 1964.

Through the close of the 1964 fiscal year, the Division had received 9,083 reports of identical bidding, which reports are made pursuant to Executive Order 10936, dated April 25, 1961; 4,617 of these were submitted by Federal agencies and 4,466 by State and local governments. It is anticipated that, during the current fiscal year, the program will be expanded. For example, beginning in August 1964, cities of 50,000 to 100,000 population were added to participating agencies. This will add 166 more cities to the program which, in turn, should result in an increase of at least 10 percent in the number of reports to the Division. The first report to the President and the Congress was made in July 1962 and covered the period July 15, 1961, to February 9, 1962. A second report, covering the period February 10, 1962, through the end of December 1962, was published in July 1964. A third report, to cover calendar year 1963, has been sent to the printer.

The Division has continued to work closely with the Department of State on matters connected with the Restrictive Business Practices Committee of the Organization for Economic Cooperation and Development. Members of the staff have done much of the substantive work of the American delegation. This work has included reports of antitrust developments in the United States, the publication of a Comparative Summary of Antitrust Legislation and a final draft of a glossary of Restrictive Business Practices Terms. In addition, members of the staff are cooperating with officials of the Department of State on the draft of a proposed international restrictive business practices convention, perhaps within the framework of the OECD, and this project has been discussed with some officials of other governments.

ANTITRUST LITIGATION

As in the past, the Division has sought, especially in the consent decree program, to obtain broad and effective decrees, rather than to accept limited proposals for the sake of avoiding trials and settling cases.

1. In the Supreme Court

The Division won a number of important victories in the U.S. Supreme Court during the past fiscal year. A brief description of each is set forth below.

In *United States* v. *Penn-Olin Chemical Company*, the Government brought suit under section 1 of the Sherman Act and section 7 of the Clayton Act to dissolve the Penn-Olin Chemical Co., a corporation jointly formed by Pennsalt Chemicals Co. and Olin Mathieson Chemical Co. to produce and sell sodium chlorate in the southeastern United States. The district court dismissed the complaint, holding that the joint venture did not violate either statute, and considered it unnecessary to determine whether section 7 is applicable where two corporations form a third to engage in a new enterprise. On June 22, 1964, the Supreme Court reversed, by a vote of 7 to 2. It held that section 7 applies to joint ventures and sent the case back to the lower court for further findings. The case will be retried starting in April 1965.

In *United States* v. *Continental Can Co.*, the Government charged that the acquisition by Continental, the country's second largest producer of metal containers, of Hazel-Atlas Glass Co., the Nation's third largest producer of glass containers, violated section 7 of the Clayton Act. The district court granted defendants' motion to dismiss the complaint at the close of the Government's case. On June 22, 1964, the Supreme Court reversed, in a 7 to 2 decision. It

held first, that the interindustry competition between glass and metal containers constituted a relevant line of commerce within which the probable anticompetitive effects of the merger could be measured. Second, it concluded that where two dominant firms in competing and already concentrated industries seek to merge, there is a violation of section 7; and finally it said "[w]here a merger is of such a size as to be inherently suspect, elaborate proof of market structure, market behavior and probable anticompetitive effects may be dispensed within view of § 7's design to prevent undue concentration". The case was remanded to premit the defendants to offer their defense. Following remand to the district court, the defendants rested their case without offering any evidence. The court then found that the challenged acquisition violated section 7 of the Clayton Act. A judgment of divestiture was entered on November 18, 1964.

In *United States* v. *Aluminum Company of America and Rome Cable Company*, the Government charged that Alcoa's 1959 acquisition of Rome was unlawful under section 7 of the Clayton Act, and the district court had dismissed the complaint at the conclusion of the trial. The Supreme Court, on June 1, 1964, reversed by a 6 to 3 vote, holding that the elimination of Rome's market share of 1.3 percent in the aluminum conductor line of commerce and its addition to the 27.8 percent share of Alcoa violated section 7. The opinion relies primarily on the proof that this is a highly concentrated industry dominated by a few companies, but also served by a small group of independents, of which Rome was one. It points out that a primary purpose of section 7 was to preserve such small but viable independents. Both the Government and the defendants are preparing proposed judgments which will be submitted to the district court.

On May 4, 1964, the Supreme Court unanimously vacated the entry of summary judgment against the United States in an action charging that Continental Oil Co.'s acquisition in 1959 of certain assets of Malco Refineries, Inc., an independent oil company, violated section 7 of the Clayton Act. Although the majority of the Court did not write an opinion, the Court's action reflected agreement with the Government's position that there were issues of fact in dispute. The decision may be considered as a reaffirmation of the Court's statement in *White Motor Co.* v. *United States*, 372 U.S 253, 264, that summary judgment is normally inappropriate in a complex antitrust case (*United States* v. *Continental Oil Company*).

In *United States* v. *William C. Welden*, Welden and others were indicted on charges of conspiring to fix milk prices and to defraud the United States. The district court dismissed the indictment as to Welden on the ground that he had obtained immunity from prosecution because he had previously testified before a congressional committee concerning matters covered by the indictment. On April 20, 1964, the Supreme Court reversed, by a 7 to 2 vote, holding that the antitrust immunity statute applies only to judicial proceedings, and that hearings before congressional committees do not fall within that category. In June Welden entered a nolo plea and was fined $2,500.

On April 6, 1964, the Supreme Court, in *United States* v. *El Paso Natural Gas Company*, by a vote of 7 to 1, reversed the decision of the District Court for the District of Utah and held that the acquisition of Pacific Northwest Pipeline Corp. by El Paso violated section 7 of the Clayton Act. The Court noted that Pacific Northwest had been a competitive factor in the California natural gas market through its proximity and demonstrated eagerness to serve that rapidly growing market, even though it did not sell therein. Hence, without necessity of proof that Pacific Northwest could have made a success of its venture into that market, the Court held, the elimination of the company might tend to substantially lessen competition. The Court directed the district court to order divestiture. In December 1964 the district court held hearings on the applications of 19 third parties to intervene. All the motions were denied. Hearings on El Paso's plan of divesture were also held in December and probably will be concluded in January 1965.

On April 6, 1964, the Supreme Court, 7 to 2, reversed the district court dismissal after trial of the Government's complaint that the merger of the First National Bank & Trust Co. of Lexington, Ky., with the Security Trust Co. of Lexington, violated section 1 of the Sherman Act. The two banks accounted for 52 percent of the commercial bank business in Fayette County, Ky. (*United States* v. *First National Bank & Trust Co. of Lexington, Kentucky*). The Court concluded that where the merging companies are major competitive factors in a relevant market, the elimination of significant competition between them, by merger, itself constitutes a violation of section 1 of the Sherman Act.

Minnesota Mining & Manufacturing Co. was indicted in the eastern district of Illinois, charged with violating sections 1 and 2 of the Sherman Act. It moved for transfer of the case to the district of Minnesota, under Rule 21(b) of the Federal Rules of Criminal Procedure, authorizing such transfer in the "interest of justice." The district court denied the motion and, on defendants' petition for mandamus, the Court of Appeals for the Seventh Circuit ordered transfer, holding that the district court improperly considered, as 1 of 10 factors relied on, the ability of the United States to get a fair and impartial jury in the transferee forum; the appellate court also went on to review de novo the factors of convenience, expense, and early trial. The Supreme Court unanimously reversed (*Hon. Casper Platt, Petitioner* v. *Minnesota Mining & Manufacturing Co.*) holding that the limited function of mandamus did not empower the court of appeals to determine a transfer motion as an exercise of its own discretion and that the appellate court, upon deciding that the district court had considered an improper factor, should have remanded the case to the district court for its consideration. After reconsideration, the district court again denied transfer of the action to the district of Minnesota. An appeal from this order was heard in December 1964 by the seventh circuit, and an opinion is expected early in 1965.

In *United States* v. *Ward Baking Co.*, the Supreme Court unanimously set aside a "consent judgment" entered by a district judge over the objections of the Government. The Court held that it was improper for the lower court to decide, without a trial, whether the Government might have supported its claim for broader relief upon trial of the action. Having decided that there was a bona fide disagreement concerning matters of substantive relief, the Court specifically left open the question whether the Government, even in the absence of any dispute over injunctive relief, could insist upon an adjudication of guilt as a condition for a consent judgment. The Government is seeking an early trial date.

2. In the circuit courts of appeals

The only case officially "terminated" in one of the Federal intermediate appellate courts grew out of an attempt by the Division to enjoin the proposed acquisition of the American Viscose Corp. by the FMC Corporation on the ground that such acquisition would substantially lessen competition in the manufacture and sale of packaging machinery, carbon bisulfide, caustic soda, and other industrial chemicals, and in rayon. A petition for a preliminary injunction to enjoin the transaction was filed in the U.S. District Court for the Northern District of California. That court denied the petition and the Division appealed to the ninth circuit contending that the court below had abused its discretion when it denied the Government's petition. The appellate court, however, dismissed the appeal for want of jurisdiction. (*United States* v. *FMC Corporation, et al.*)

Two other actions decided by circuit courts during the 1964 fiscal year are of sufficient interest to include here.

In March 1962, a Florida district court dismissed an information charging the fixing of prices of asphalt materials sold to paving contractors and governmental authorities in Broward County, Fla., on the ground that it failed to adequately allege interstate or foreign commerce. After oral argument in December 1962, the fifth circuit reversed on March 26, 1964, holding that interstate commerce was sufficiently alleged. The court stressed that local sales of a product affect interstate commerce in the materials of which that product is composed. Petitions for rehearing have been denied and the proceedings in the lower court were stayed pending an appeal to the Supreme Court. The Supreme Court denied certiorari in October 1964 and four of the defendants have entered nolo pleas. The two remaining defendants will be tried starting February 16, 1965 (*United States* v. *South Florida Asphalt Co.*).

In *Continental Oil Co.* v. *United States*, the ninth circuit, in March 1964, reversed a district court order refusing to quash grand jury subpoenas directed to attorneys for corporations and certain of their employees. The subpoenas sought the production of summaries of grand jury testimony made to attorneys by such employees which were transmitted to attorneys representing other companies and individuals under investigation by the grand jury. In answer to the Government's motion to dismiss the appeal, the court of appeals held it had jurisdiction and that in any event it could treat the appeal as a petition for mandamus. In quashing the subpenas, the appellate court found the summaries to be protected by the attorney-client privilege, and that parties under investigation by a grand jury did not waive the privilege by disclosure among themselves and their attorneys. The case is now being prepared for trial.

3. In Federal district courts

Among the 65 district court cases terminated during 1964 were several in which the Government sought to secure damages from members of the heavy electrical industry. Eleven of these cases were filed. Settlements have been consummated with all of the defendants excepting I–T–E Circuit Breaker Co., and H. K. Porter Co. Payments growing out of these settlements total $8,807,450.

During the period July 1, 1963, through June 30, 1964, 4 of the original 11 cases were completely terminated. These dismissals occurred in the oil circuit breaker (*U.S. and TVA* v. *General Electric Company, et al.*), turbine generators (*U.S. and TVA* v. *General Electric Company*), power transformers (*U.S. and TVA* v. *Westinghouse Electric Corporation, et al.*), and distribution transformers (*U.S.* v. *General Electric Company, et al.*) cases, and resulted from the settlement on March 2, 1964, with the Allis-Chalmers Manufacturing Co., from whom $185,000 was collected. That settlement followed negotiations with Allis-Chalmers Manufacturing Co., which took place over a period of several months during the year. The orders of dismissal were entered by the court sitting in Philadelphia on March 9, 1964. The seven remaining cases are power switchgear assembles (*U.S. and TVA* v. *Westinghouse Electric Corporation*), Navy and Marine switchgear (*U.S.* v. *I–T–E Circuit Breaker Company, et al.*), power switching equipment (*U.S. and TVA* v. *Federal Pacific Electric Company, et al.*), low-voltage power circuit breakers (*U.S.* v. *I–T–E Circuit Breaker Company, et al.*), low-voltage distribution equipment (*U.S.* v. *Cutler-Hammer, Inc., et al.*), insulators (*U.S. and TVA* v. *Ohio Brass Company, et al.*), and isolated phase bus (*U.S.* v. *H. K. Porter Company, Inc., et al.*). I–T–E is a defendant in all seven cases and H. K. Porter Co. is a defendant in three of the cases; namely, isolated phase bus, power switching equipment, and insulators.

During the past fiscal year, extensive arguments were held before the district court relating to interrogatories and motions to produce served on the Government by I–T–E in the power switchgear, Navy and Marine switchgear, and oil circuit breaker cases. In addition, arguments were held on the Government's interrogatories and motions to produce in those three cases.

Although a trial date has not been set, it is anticipated that the power switchgear assemblies case will be tried during the spring of 1965. Issue has been joined in all the remaining cases but only in the Navy and Marine switchgear has any substantial discovery process taken place.

While it is not possible to describe all of the district court cases in which the Government was successful during the year, a very brief description of a few of the most important is appropriate.

In November 1962, an indictment was returned against the Minneapolis-Honeywell Regulator Co., Johnson Service Co., and the Powers Regulator Co., as well as several individuals, charging them with price fixing and rigging bids in the sale and installation of pneumatic temperature control systems in violation of section 1 of the Sherman Act. This case was terminated in September 1963 by the acceptance, over the objections of the Government, of nolo pleas by all of the defendants. The court imposed fines on the corporations and the individuals totaling $180,000 (*United States* v. *Minneapolis-Honeywell Regulator Co., et al.*).

In February 1963, indictments were returned in three companion cases which were the first criminal prosecutions of banks for violations of section 1 of the Sherman Act. The defendants were charged with agreeing to fix the rates of interest on loans secured by bank stock; to fix the rates of interest on livestock loans and the amounts of rebate, kickback, or commission paid to banks which service such loans; to fix the rates of interest charged correspondent bankers for conventional loans; to fix the amount of commission to correspondent banks for placing general overline loans with defendant banks; and other acts in violation of the antitrust laws.

These cases were closed in February 1964 when the district court granted the motions of the defendants to change their pleas of "not guilty" to "nolo contendere." The fines imposed in the three cases aggregated $253,000 (*United States* v. *The Duluth Clearing House Association, et al.*, *United States* v. *The First National Bank of Saint Paul, et al.*, and *United States* v. *Northwestern National Bank of Minneapolis, et al.*). Companion civil cases were closed by the entry of consent judgments in which the Government secured all of the relief sought.

Indictments were returned in March 1964 against United States Steel Corp., U.S. Industries, Inc., the American Pipe & Construction Co., United Concrete

Pipe Corp., and Kaiser Steel Corp. The indictments charged the defendant manufacturers with combining and conspiring to rig bids and allocate orders for steel and concrete water pipe in 10 Western States. In June 1964, the district court imposed fines aggregating $59,750 on the corporate and individual defendants, all of whom had been permitted to plead nolo over the objection of the Government.

A judgment entered in January 1964 gave the Government a significant victory in an action filed almost 10 years ago. That case, *United States* v. *The Watchmakers of Switzerland Information Center, Inc., et al.* (S.D. N.Y.), was filed in October 1954 against 22 defendants, 12 of whom agreed to consent judgments entered in 1959. Trial against the remaining defendants commenced in November 1960 and final arguments were held in December 1961.

The district court found that the four American watch manufacturers involved had conspired with five Swiss defendants to eliminate competition in the U.S. production, import, export, and sale of watches, watch parts, and watchmaking machinery. The conspiracy had been effectuated through defendants' industry wide agreements known as collective conventions which were designed to prevent the development and growth of competitive watch industries outside of Switzerland, particularly in the United States.

The district court's judgment adopted almost in toto the judgment proposed by the Government. The injunctive provisions strike down all of the restrictive agreements and regulations so that there will not be any concerted limitation upon production, imports, exports, and sale of watches, watch parts, and watchmaking machinery in the United States. Subsequent to entry of the judgment some of the defendants filed notices of appeal. Recently, however, the Government filed a motion to modify the judgment, which motion is under submission. The defendants have indicated to the court that they will withdraw the notices of appeal to the Supreme Court in the event the proposed modification is accepted by the court.

In April 1964, a complaint was filed charging that the proposed acquisition of the western division assets and properties of Tidewater Oil Co., by Humble Oil & Refining Co., violated section 7 of the Clayton Act in that such acquisition would (*a*) eliminate substantial competition between Tidewater and Humble in the sale of refined petroleum products, including motor gasoline; (*b*) eliminate Tidewater as a substantial source of supply of motor gasoline to rebrand distributors and dealers; and (*c*) substantially increase concentration in the petroleum industry, particularly in the States of California, Oregon, Washington, Arizona, and Nevada. Named as defendants were Standard Oil Co. (New Jersey); its wholly owned subsidiary, Humble Oil & Refining Co.; and Tidewater Oil Co. Fifteen days later the defendant, Humble Oil & Refining Co., prior to the service by any defendant of an answer to the complaint, formally advised the Division that Humble had notified Tidewater of the termination of the proposed transaction in accordance with the agreement of sale. On the basis of the termination of the agreement the suit was dismissed without prejudice (*United States* v. *Standard Oil Company (N.J.), et al.* Southern District of California).

In another significant victory, the District Court for the Western District of Pennsylvania approved a final judgment terminating the case entitled "*United States* v. *Ingersoll-Rand Company, et al.*," and permanently enjoined the defendant Ingersoll-Rand from consummating its proposed acquisition of Goodman Manufacturing Co., Galis Electric & Machine Co., and Lee-Norse Co., or any other acquisition which would have a similar effect.

The complaint in this proceeding was filed in February 1963. It charged that the proposed acquisition by Ingersoll-Rand of the stock or assets of the other three defendants, all of whom were engaged in the manufacture and sale of various forms of underground machinery and mining equipment, would, if consummated, violate section 7 of the Clayton Act.

An important merger case was successfully terminated during January 1964 when Phillips Petroleum Co., disposed of all of its stock in the Union Oil Co. of California (*United States* v. *Phillips Petroleum Company, et al.*, S.D. Calif). The complaint in this section 7 of the Clayton Act case was filed in December 1960. Phillips disposed of its stock after the Government filed a second set of interrogatories and was about to take the depositions of the six top executives of Phillips. Because this action on the part of the defendant resulted in securing for the Government practically all of the relief prayed for in the complaint, the Division dismissed the case.

A complaint filed in December 1956 charged that Owens-Illinois Glass Co.'s acquisition of National Container Corp., violated the Celler-Kefauver antimerger section of the Clayton Act by tending to create a monopoly in the manufacture, sale, and distribution of container board and fiber boxes (*United States* v. *Owens-Illinois Glass Company*, N.D. Ohio). This action was closed in July 1963 by the entry of a consent decree which required Owens-Illinois to divest itself of a larger paperboard mill in Jacksonville, Fla., and five fiber box manufacturing plants within a period of 4 years. The plants to be disposed of are to be sold as going concerns for the manufacture of paperboard and boxes. The divestiture should result in the creation of a fully integrated paperboard and fiber box manufacturing firm.

Several other cases of particular interest which were instituted during this past fiscal year are briefly discussed below.

In July 1963, a grand jury in Los Angeles indicted United Fruit Co., its sales subsidiary and two officers for violating section 2 of the Sherman Act by conspiring and attempting to monopolize and actually monopolizing the importation and sale of bananas in seven Western States. The action was terminated last October by nolo pleas by all defendants and the imposition of fines of $6,000 which ran concurrently. For this reason, fines actually totaled only $4,000.

An indictment charging the Boston & Maine Railroad, three of its officers and the International Railway Equipment Co. with violations of section 10 of the Clayton Act and 18 U.S.C. 660 was returned in Boston, August 1963. It is charged that the individuals obtained personal profit as the result of the noncompetitive sale of railroad cars. In December the court dismissed count 1 as to the individual defendants holding as a matter of law that the words "any substantial interest" do not cover the relationship defined in the particulars furnished by the Government and that the phrase in question is limited to "then present legal interest." The Government has appealed this decision. In December 1964 two additional indictments were returned charging the Boston & Maine, four past and present officers of the railroad, four other corporations, and one additional individual with doing business with companies in which they had substantial interests without competitive bidding. These charges also were based on section 10 of the Clayton Act.

In *United States* v. *Crocker-Anglo National Bank, et al.* (National District of California) the complaint alleges that the merger of the Citizens National Bank of Los Angeles and the Crocker-Anglo National Bank of San Francisco would eliminate competition and tend to create a monopoly in violation of section 1 of the Sherman Act and section 7 of the Clayton Act because it would not only eliminate potential competition between the participating banks, but would also substantially reduce the competitive potential in the statewide banking market in the rapidly expanding California economy. Discovery proceedings have been going on and the case is being prepared for trial.

A civil action filed in October 1963 charges 19 corporations with restricting price competition in the sale of custom-made corrugated shipping containers in a 7-State area in the Southeastern United States in violation of section 1 of the Sherman Act. The suit asks the court to forbid any agreement between the companies to eliminate or suppress price competition. The case is being prepared for trial. *United States* v. *Container Corporation of America, et al.* (Middle District of North Carolina).

The Government, in October 1963, filed a complaint charging that the merger of the Calumet National Bank and the Mercantile National Bank, the two largest banks in Hammond, Ind., would if consummated violate section 7 of the Clayton Act and section 1 of the Sherman Act (*United States* v. *The Calumet National Bank of Hammond, et al.*, Northern District of Indiana). In October the directors of each bank agreed to rescind their merger agreement, and the approval of the Comptroller of the Currency was withdrawn. In view of this action the Government dismissed the suit as all necessary relief was obtained. This is another instance where prompt and effective action by the Government eliminated the necessity for protracted and expensive litigation.

In November 1963 a complaint was filed charging the Cincinnati Insurance Board, a trade association of 141 insurance agencies, with a boycott in violation of section 1 of the Sherman Act (*United States* v. *Cincinnati Insurance Board*, Southern District of Ohio). At the same time a stipulation was filed granting consent judgment at the end of the usual 30-day waiting period. The Board was

charged with refusing to do business with any mutual insurance company and any insurance company appointing agencies in Hamilton County who were not members of the Board. The consent decree enjoins the Board from continuing these practices.

Another damage case seeking injunctive relief was instituted in March 1964 when a three-count complaint was filed against six leading manufacturers of aluminum electrical cable and wire (*United States* v. *Aluminum Company of America, et al.*, Eastern District of Pennsylvania). The complaint charges that the Government and the public were forced to pay inflated prices for aluminum products used for overhead electrical transmission, because of a price-fixing, and bid-rigging conspiracy. This complaint was in two parts; the first attacks the price-fixing and bid-rigging conspiracy under section 1 of the Sherman Act. The second part asks for either double or single damages under the Federal False Claims Act. This case will not be set for trial until the final disposition of the companion criminal case involving these same defendants.

Eight major steel companies and 2 individuals were indicted during April 1964 on charges of conspiring illegally to eliminate price competition in the carbon steel sheet industry in violation of section 1 of the Sherman Act (*United States* v. *United States Steel Corporation, et al.*, Southern District of New York). This product is widely used for automobile bodies, washing machines, refrigerators, kitchen cabinets, and office furniture. An early trial date is being sought. In addition to United States Steel, Bethlehem Steel Co., National Steel Corp., Great Lakes Steel Corp., Jones & Laughlin Steel Corp., Armco Steel Corp., Republic Steel Corp., and Wheeling Steel Corp., were named.

An important civil suit involving the chemical industry was filed in April 1964 (*United States* v. *Monsanto Co., et al.*, Western District of Pennsylvania). It is alleged that the establishment and operation of the Mobay Chemical Co. as a joint venture by two of the world's largest chemical companies (Monsanto and Bayer) has resulted in an unlawful restraint of competition in the manufacture of ingredients essential to the mushrooming plastic foam industry. The Government claims that this joint venture violated both the restraint of trade section of the Sherman Act and the antimerger section of the Clayton Act.

The Government in a suit filed in May 1964 asserted that the monopoly position of the Post and Times-Star has deprived newspaper readers and advertisers in the Cincinnati area of the benefits of free competition in daily newspapers in violation of sections 1 and 2 of the Sherman Act and section 7 of the Clayton Act (*United States* v. *The E. W. Scripps Co.*, Southern District of Ohio). It is charged that control of the Enquirer and ownership of the assets of the Times-Star has given the Scripps Co., a daily newspaper monopoly in Cincinnati. The suit seeks divestiture of the Enquirer, and that the Scripps Co., and its officers be enjoined in the future from acquiring stock or assets of any company engaged in the publication of daily newspapers in the Metropolitan Cincinnati area.

Another important case charging violation of section 7 of the Clayton Act was instituted against General Telephone & Electronics Corp. (*United States* v. *General Telephone & Electronics Corp.*, Southern District of New York). The complaint charges that the acquisitions of the capital stock of Western Utilities, a holding company, and its three affiliated telephone operating companies would, substantially lessen competition in the manufacture, distribution and sale of telephone equipment by foreclosing manufacturers who compete with General Telephone from the substantial telephone equipment market represented by the three operating companies.

The Division expects to bring about 80 cases to trial or trial stage during the current (1965) fiscal year.

Staff

On June 30, 1964, the staff was comprised of 289 attorneys plus supporting personnel (economist and clerical). One hundred and seventy-two lawyers were assigned to the Washington office and the balance (117) to the temporary field offices. Twenty-seven of the economists were assigned to Washington and four to the field. Although the Division has an authorized staff of 614, including 322 attorneys, the annual appropriation provides funds for an average employment of only 294 attorneys and an overall average employment of 559.

Turnover in legal personnel has been a problem until recently. For example, during the 1962 fiscal year 54 attorneys were lost through resignation, retirement, death, or orders to active military service. This figure was reduced to 37 during the following fiscal year. Only 28 attorneys were separated during

the 12-month period ending June 30, 1964. The salary increases provided by the Congress and the Division's policy of giving preference to qualified applicants who signify an intention to remain with the Department for at least 4 years probably are responsible for the sharp reductions in turnover.

It is apparent, however, that maintenance of the staff at the presently authorized level is essential if the Division is to continue with its enforcement program and other necessary activities.

INCREASES REQUESTED

Mr. ROONEY. It would appear from page 19–5 that the requested increase is entirely mandatory; to wit, within-grade promotions to the extent of $52,000 and personnel benefits, $6,000, for a total of $58,000.

Mr. Orrick, it occurs to me that this requested appropriation for this division is at an alltime high.

I wonder if you would comment on that as well as the success or nonsuccess of the activities of this Division during the past year.

Mr. ORRICK. The appropriation is at an alltime high, Mr. Chairman, and that is due largely to the proposed pay act and the supplemental of $218,000 which was added to last year's appropriation. I think the division had a good year in fiscal year 1964, Mr. Chairman. We closed some 65 cases, 38 civil and 27 criminal cases. We won 33 civil cases and lost 1, and we dismissed another 4.

Mr. ROONEY. How many of the civil cases had to do, if any, with the *Philadelphia Electrical* case of some years ago?

Mr. ORRICK. Those closed, I believe, none.

I beg your pardon; four did, four damage cases.

WORKLOAD STATISTICS

Mr. ROONEY. Mr. Orrick, looking at page 19–2 of your justification book, the chart entitled "Program and performance," a hasty glance at that might indicate you have entirely too many people down there and that this appropriation should not now reach an alltime high, if I understand the figures correctly.

You are expecting that in 1966—and this is only your expanded estimate, as I take it; right?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. 163 pending at the beginning of the year would compare with 180 actual cases pending in 1963; and then the number of cases to be filed you estimate to be 80. That is not an increase over what you presently have; is it?

Mr. ORRICK. Yes, it is. The number of cases to be filed we have estimated will increase, roughly, by 16.

Mr. ROONEY. That does not appear on page 19–2?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. Do you not have 80 cases estimated in 1966 as compared with 80 cases in 1965?

Mr. ORRICK. Yes, sir; I did not understand the question.

Mr. ROONEY. There is no increase there at all, is there?

Mr. ORRICK. No, sir.

Mr. ROONEY. You expect to terminate 70 cases in 1966, the same number as in 1965, but 18 cases less than were terminated in 1963; right?

Mr. ORRICK. Yes, Mr. Chairman. Could I comment on that?

Mr. ROONEY. Surely.

Mr. ORRICK. The activities of the Division are not solely represented by these statistics. For example, during the past year——

Mr. ROONEY. I have heard that one before, too.

Mr. ORRICK. This is the fact, sir. During the past year we initiated some 432 investigations.

Mr. ROONEY. Understand, I do not blame you for trying to get out the best way that you can and that is all right. That is par for the course; is it not?

Mr. ORRICK. These are the facts, Mr. Chairman. We have also doubled the number of civil investigative demands that we are sending out.

Mr. ROONEY. If we look at page 19–2, the only facts we see are those set forth in the 1963 and 1964 columns?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. The others are all estimates, are they not?

Mr. ORRICK. That is correct, but additional facts, if you please, appear beginning on pages 19–6 and following.

Mr. ROONEY. Where do we find a statement of the number of cases tried by this division in the past year?

Mr. ORRICK. Exhibit L–1 which gives the number of cases that were tried.

CASES TRIED

Mr. ROONEY. What is the difference between cases tried and cases at trial referred to in a caption on page L–1?

Mr. ORRICK. Several of the cases listed there, Mr. Chairman, two of them to be exact, were not decided as of June 30, 1964, and two of the cases had hung juries.

Mr. ROONEY. It would appear from these 2 pages you tried 21 cases; right?

Mr. ORRICK. Yes, sir.

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

Mr. ORRICK. We tried 16 the year before.

Mr. ROONEY. The year before that?

Mr. ORRICK. I do not have that figure. Do you?

Mr. BASSFORD. Thirteen, and 12 the year before that.

Mr. ROONEY. Of these 21 cases set forth in exhibit L–1, how many were won?

Mr. ORRICK. Eight.

Mr. ROONEY. How many were lost?

Mr. ORRICK. Nine.

Mr. ROONEY. The other four?

Mr. ORRICK. There were two hung juries and two cases undecided as of June 30, 1964.

Mr. ROONEY. What happened to those two cases?

Mr. ORRICK. One is not completed, the *Pfizer* case; and the *National Steel* case, we have lost that.

Mr. ROONEY. Do you want to change your answer to 8 cases won, 10 lost, and 2 hung juries, and 1 unfinished?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. Is that supposed to be a good record?

Mr. ORRICK. It is better to win them all if you can, Mr. Chairman.

Mr. ROONEY. What are you trying to do to my constituents, Charles Pfizer & Co.? They are located in my district.

Mr. ORRICK. Mr. Chairman, that case had not been decided and I would rather not comment on that.

Mr. ROONEY. I did not ask you to comment on the merits of the case. I am sure you would not do that, even if I asked you and properly so. I wonder whether this case is going to end up with the 8 or the 10; it probably will end up with the 10.

Mr. ORRICK. I hope not.

DIVISION STAFF

Mr. ROONEY. How many people do you have on the payroll there in this division?

Mr. ORRICK. 559; and we are authorized 614.

Mr. ROONEY. How many of them are lawyers?

Mr. ORRICK. 289.

Mr. ROONEY. 289 lawyers and 21 cases tried.

Where do we find the amount of fines imposed?

Mr. ORRICK. That is in exhibit F–1.

Mr. ROONEY. Is there a total here of fines collected?

FINES COLLECTED

Mr. ORRICK. Yes, sir; the total of fines collected is $1,859,000; and then if you add to that $185,000 which was collected as damages in the electrical cases, you get $2,043,950.

I might note Mr. Chairman, that with the exception——

Mr. ROONEY. Wait a minute. If you add $1,859,000 and $185,000, what do you get?

What did you say you get?

Mr. ORRICK. I said $2,043,950.

Mr. ROONEY. How much?

Mr. ORRICK. $2,043,950.

Mr. ROONEY. I get $2,044,000. Are you rounding?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. Where do we find a list of jail sentences?

Mr. BASSFORD. That is in exhibit N–1.

Mr. ROONEY. Did these defendants go to jail in this *Brookman Co.* case?

Mr. ORRICK. There are cases on appeal.

Mr. ROONEY. They may very well wind up with the others preceding them on this list?

Mr. ORRICK. That is possible.

Mr. ROONEY. Not go to jail?

Mr. ORRICK. That is possible.

Mr. ROONEY. It looks as though you are going to have a clear year of not having anyone go to jail?

Mr. ORRICK. I hope that will not be true.

Mr. ROONEY. By the way, going back to these fines which you say totaled $2,044,000, how does this collection of fines in antitrust cases, in the period July 1, 1963, through June 30, 1964, compare with the previous year?

Mr. ORRICK. It is substantially higher, Mr. Chairman, in the fines alone.

In the previous year, the fines alone amounted to $1,187,000. However, the damages which were recovered under the electrical cases——

Mr. ROONEY. You told us in 1963 the collection of fines aggregated about $9.8 million.

Mr. ORRICK. Fines and recoveries, Mr. Chairman. That is damage payments. That is correct.

Mr. ROONEY. That was the figure $2,044,000—is that right?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. So comparison is between $9.8 million in 1963 and $2 million in 1964?

Mr. ORRICK. For fines and recoveries, that is quite correct. The recoveries all grew out of the electrical cases. The fines are higher this year than any other year in the Antitrust Division history with the exception of the year in the *Philadelphia Electrical* case.

Mr. ROONEY. You said at page 211 of last year's printed hearings as follows:

Mr. ORRICK. During fiscal year 1963, the collection of fines aggregated about $9.8 million.

What is the comparative figure in 1964 fiscal year?

Mr. ORRICK. Mr. Chairman, the fines and recoveries——

Mr. ROONEY. That calls for a figure. You know what I am trying to do. I am trying to narrow the issue here so that we understand one another. I have a sneaking idea that this should be a comparison between $10 and $2 million, which could be an indication of the success or nonsuccess in the activities of the Antitrust Division.

What do you say is the comparative figure in 1964 for the $9.8 million you gave us last year?

Mr. ORRICK. $2,044,000.

Mr. ROONEY. That is exactly what I suspected.

Mr. ORRICK. Mr. Chairman, I must take issue with you that that is a sign of the lack of success of the Antitrust Division because those recoveries grew out of the electrical cases.

Mr. ROONEY. That is unimportant, is it?

Mr. ORRICK. I think it is very important.

We were able to collect them.

Mr. ROONEY. Dropping off in fines, you think is unimportant?

Mr. ORRICK. The fines were higher, but fines and recoveries have dropped off.

Mr. ROONEY. The amount in fines collected last year was more than enough to pay for these 559 or more people you have down there; is that right?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. Now you are about $5 million short under your management; right?

Mr. ORRICK. No, Mr. Chairman. I must again state that the recoveries which I differentiate from the fines, grew solely out of the electrical cases. The fines this year are the highest in history.

Mr. ROONEY. Mr. Orrick, in reading your statement from the printed hearings of last year, you did not differentiate at all. You just went ahead and took credit for $9.8 million; did you not?

Mr. ORRICK. You would not permit me to take credit, Mr. Chairman.

Mr. ROONEY. We defined your claims a little after that. I will agree with that.

We defined it, but I think we finally settled on that $9.8 million figure by giving Mr. Bicks credit for $8.6 million and Mr. Loevinger credit for $1.2 million; right?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. You did not get any credit last year?

Mr. ORRICK. No, sir.

Mr. ROONEY. Now you come along with only $2 million in fines.

Mr. ORRICK. Which is the highest in history.

Mr. ROONEY. What is the highest in history?

Mr. ORRICK. The total amount of fines collected this year, $1,859,000, the highest amount of fines collected in the history of the Antitrust Division, with the exception of the year of the *Philadelphia Electrical* cases.

IDENTICAL BID PROGRAM

Mr. ROONEY. I understand that among some activities of this Antitrust Division you have one which costs a couple hundred thousand dollars in making reports to a congressional committee or committees; is that the fact?

Mr. ORRICK. Is this the identical bid program, Mr. Chairman?

Mr. ROONEY. I am trying to find out from you what program.

Mr. ORRICK. Yes, sir; if that is the one you have in mind.

Mr. ROONEY. What did these reports cost in the past year?

Mr. ORRICK. $150,005.13.

Mr. ROONEY. What is the purpose of them?

Mr. ORRICK. The purpose of them is to collect identical bids made to the Federal Government, to State governments, and to cities.

We have added 166 cities to it this year and then disseminate that information to the purchasing officers in the various governmental bodies for their information.

I might say, Mr. Chairman, that we are now about to, and have sent to the printer, and are about to disseminate the identical bid reports for the calendar year 1963. We are working on the one for 1964.

Mr. ROONEY. Is this authorized by law?

Mr. ORRICK. I am advised it is authorized by Executive order, Mr. Chairman, in 1961.

Mr. ROONEY. Someone told me at some time that this was an utterly useless activity. What do you think about it?

Mr. ORRICK. I do not think it is, Mr. Chairman. I think it has been helpful for the purchasing agents to see which companies are submitting to other governmental bodies identical bids and for them to make a judgment on whether or not they should continue their present method of purchasing. They have advised us at their annual meetings each year that this has been of a good deal of value, and it is our view that it is.

Mr. ROONEY. Thank you, Mr. Orrick, and gentlemen.

Mr. ORRICK. Thank you, Mr. Chairman.

SALARIES AND EXPENSES, U.S. ATTORNEYS AND MARSHALS

TUESDAY, MARCH 2, 1965.

WITNESS

WILLIAM J. BRADY, HEAD, EXECUTIVE OFFICE FOR U.S. ATTORNEYS

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	20,680	22,732	23,131
11.3	Positions other than permanent	134	171	171
11.4	Special personal service payments	577	637	637
11.5	Other personnel compensation	592	592	592
	Total personnel compensation	21,983	24,132	24,531
12.0	Personnel benefits	1,354	1,505	1,563
21.0	Travel and transportation of persons	2,943	2,960	2,969
22.0	Transportation of things	10	25	25
23.0	Rent, communications, and utilities	829	831	927
24.0	Printing and reproduction	422	436	455
25.1	Other services	1,081	1,199	1,218
26.0	Supplies and materials	173	204	207
31.0	Equipment	411	593	580
	Total costs, funded	29,206	31,885	32,475
94.0	Change in selected resources	12		
99.0	Total obligations	29,218	31,885	32,475

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	2,835	2,882	2,922
Full-time equivalent of other positions	11	15	15
Average number of all employees	2,783	2,808	2,846
Average GS grade	6.3	6.3	6.4
Average GS salary	$6,326	$6,713	$6,767
Average salary of ungraded positions	$10,438	$11,685	$11,596

Program and financing

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate
Program by activities:			
1. U.S. attorneys	17,289	19,115	19,531
2. U.S. marshals	11,917	12,770	12,944
Total program costs, funded	29,206	31,885	32,475
Change in selected resources [1]	12		
10 Total obligations	29,218	31,885	32,475
Financing:			
25 Unobligated balance lapsing	12		
New obligational authority	29,230	31,885	32,475
New obligational authority:			
40 Appropriation	29,230	30,285	32,475
44 Proposed supplemental due to civilian pay increase		1,600	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	29,218	31,885	32,475
72 Obligated balance, start of year	1,092	1,257	1,422
74 Obligated balance, end of year	−1,257	−1,422	−1,897
77 Adjustments in expired accounts	−37		
90 Expenditures excluding pay increase supplemental	29,016	30,200	31,920
91 Expenditures from civilian pay increase supplemental		1,520	80

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, $137,000; 1964, $149,000; 1965, $149,000; 1966, $149,000.

Mr. ROONEY. The next item, gentlemen, is entitled "Salaries and expenses, U.S. attorneys and marshals."

This appears at page 95 of the committee print and under tab 20 of the justifications book.

We shall insert pages 20–1 through 20–4 of that book.

(The pages follow:)

Salaries and expenses, U.S. attorneys and marshals

Appropriation, 1965	$30,285,000
Proposed pay act supplemental	1,600,000
Appropriation, 1965 (adjusted)	31,885,000
Estimate, 1966	32,475,000
Increase	590,000

Analysis by activities

	1964	1965	1966
U.S. attorneys	$17,309,063	$19,115,000	$19,531,300
U.S. marshals	11,909,358	12,770,000	12,943,700
Total	29,218,421	31,885,000	32,475,000

Analysis of litigative funds included in appropriation, salaries and expenses, U.S. attorneys and marshals

Activity	Actual, 1964	Estimate, 1965	Estimate, 1966
U.S. attorneys:			
(a) Travel in legal proceedings	$481,011	$512,000	$521,400
(b) Evidentiary and other litigative expenses:			
(1) Fees, comdemnation commissioners	176,389	200,000	200,000
(2) Printing and reproduction	413,137	421,000	440,100
(3) Other contractual services (reporting, attendance fees, and transcripts, compensation of interpreters and doctors, abstracts of titles and recording fees)	963,985	1,064,000	1,082,800
Total, U.S. attorneys	2,034,522	2,197,000	2,244,300
U.S. marshals:			
(c) Executing judicial orders and transporting prisoners:			
(1) Guard hire	393,436	430,000	430,000
(2) Travel (marshals attending court, serving process and transporting prisoners, including prisoners' travel)	2,461,536	2,448,000	2,448,000
(3) Other contractual services (guarding, hauling, and destroying seized property, and expenses of transporting prisoners)	136,208	135,000	135,000
Total, U.S. marshals	2,991,180	3,013,000	3,013,000
Total, litigative funds	5,025,702	5,210,000	5,257,300

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:

	1964 actual	1965 estimate	1966 estimate
U.S. ATTORNEYS			
Cases:			
Pending, beginning of year	32,261	33,621	34,021
Filed during year	61,362	62,300	63,300
Terminated during year	60,002	61,900	63,900
Pending, end of year	33,621	34,021	33,421
U.S. MARSHALS			
Process served	744,307	750,000	760,000
Process endeavors (unsuccessful)	173,834	180,000	185,000
Defendants arrests	14,946	15,500	16,000
Prisoners handled	203,404	205,000	208,000

AMOUNT REQUESTED

The Department is requesting $32,475,000 to meet the requirements of the U.S. attorneys' and marshals' offices for the 1966 fiscal year, or a total increase over the amount available in 1965 of $590,000 divided as follows: $416,300 for the U.S. attorneys; and $173,700 for marshals.

This estimate contains a request for 40 additional positions, 15 of which are assistant U.S. attorneys and 25 are clerks for certain U.S. attorneys' offices.

The major items of increase are:

40 additional positions together with related costs (U.S. attorneys)	$313,200
Statutory provisions	142,300
Reallocation of 200 field deputy positions, (U.S. marshals)	100,000
Other increases	34,500
Total increase	590,000

CHANGE IN LANGUAGE

Delete: and not to exceed $5,000 for loss of and damage to personal effects and property of the U.S. attorneys and marshals:

Public Law 88-558 approved August 31, 1964 authorizes payment of claims up to $6,500 for damages to personal property of Government personnel while performing officials acts, therefore it appears that above language is no longer necessary.

U.S. ATTORNEYS

Mr. ROONEY. These pages indicate that the request for fiscal year 1966 is in the total amount $32,475,000, which would be an increase of $590,000 over the adjusted appropriation in the current fiscal year

The first of the activities to which we shall direct our attention is entitled "U.S. attorneys" where the request is in the amount $19,531,300, as compared with a 1965 appropriation of $19,115,000.

We shall at this point insert in the record the data under tab 21, pages 21-1 through 21-21.

(The pages follow:)

U.S. attorneys

Appropriation, 1965	$17,870,000
Proposed Pay Act Supplemental	1,245,000
Appropriation adjusted, 1965	19,115,000
Estimate, 1966	19,531,300
Increase	416,300

AMOUNT REQUESTED

It is estimated that $19,531,300 will be required to operate the U.S. attorneys' offices in the 1966 fiscal year, an increase of $416,300 over the amount available for 1965.

The increases are as follows:

Improving judgment collection system (includes request for 15 attorneys and 25 clerks)	$313,200
Statutory provisions:	
Within-grade salary increases	45,900
Additional cost in 1966 of 1964 Pay Act	15,200
Personnel benefits	21,000
Total	82,100
Other increases (miscellaneous costs)	21,000
Total increase	416,300

GENERAL STATEMENT

The U.S. attorneys are the legal representatives of the Department of Justice in the field. They are responsible for the enforcement and administration of the Federal laws throughout the 50 States and possessions. They represent almost all agencies and departments of the Government in the actual litigation of claims by and against the United States.

Approximately 90 percent of the total litigation under the supervision of the Department of Justice, is actually conducted by the U.S. attorneys. A substantial portion of the cases handled by the U.S. attorneys are received by direct reference from the agencies concerned, and are handled under delegated authority from the Attorney General without supervision from the Department. In addition to prosecuting all criminal cases for the Government, and most of the Government's civil litigation, the U.S. attorneys' offices are responsible for the collection of all moneys involved in litigative matters handled by them.

The three most important problems facing the Executive Office for U.S. Attorneys in fiscal 1966 are: (1) reducing the high rate of turnover among assistant U.S. attorneys and establishing a large nucleus of experience assist-

ants; (2) reducing the pending caseload; and (3) establishing a more effective procedure for the collection of outstanding judgments. Unless we can achieve the first objective—a more stabilized and experience legal staff—we cannot achieve the other two objectives.

During fiscal 1964, a total of 146 assistants were separated. Of these, 139 resigned, 4 retired, 1 died, and 2 transferred to a Division of the Department of Justice. The rate of loss was 12.1 assistants per month, and this turnover represented 20.8 percent of the authorized force of assistants. Of the 139 resignations, 113, or 81.2 percent involved assistants who were appointed in the present administration; i.e., after February 1, 1961. Only 26 resignees, or 18.7 percent of the total resignations, were assistants who were appointed prior to February 1, 1961. The average length of service for resignees who were appointed in the present administration was 2 years, 2 months; whereas the length of service for resignees appointed prior to February 1, 1961, was 6 years, 8 months, or over three times as long.

Set out below is a comparison of the number of resignations in the last 11 months of fiscal 1963 and the full 12 months of fiscal 1964, together with the turnover rate, in the 10 districts with the largest number of resignations:

	Fiscal year 1963	Fiscal year 1964	Fiscal year 1964 turnover rate
California (southern)	13	9	18.3
Connecticut	1	4	66.6
District of Columbia	7	6	11.7
Illinois (northern)	7	8	25.0
Maryland	0	5	55.5
Massachusetts	2	3	18.7
New Jersey	3	9	47.3
New York (eastern)	4	10	32.2
New York (southern)	12	15	22.0
Texas (eastern)	0	4	57.1

The statistics on resignations point up the transitory nature of appointments to the legal staffs of U.S. attorneys' offices. Discussions have been held within the Department on the possibility of converting the position of assistant to that of a career employee, in an effort to retain assistants for longer periods of service, and cut down the high rate of turnover. It is hoped that in fiscal 1966 this possibility may become a reality.

The second objective—the reduction of the pending caseload—is one which can only be achieved through the addition of legal and clerical personnel. Since fiscal 1954, the pending caseload has risen in 6 years, and has been reduced in only 4 years. It has risen consistently in the past 4 years, since fiscal 1960. The reason for this constant rise is shown in the fact that during the 4-year period, 1961–64, a total of 7,272 more cases were filed than were terminated.

No long-range plan for increasing the assistants' staff has been established up to this time. The accelerated increase in the national population and the steady increase in the number of Federal aid programs have had a direct bearing upon the volume of work handled in U.S. attorneys' offices. This is reflected in the number of cases filed, which in the past 4 years has risen from 54,999 in fiscal 1960 to 61,362 in fiscal 1964, or 11.5 percent. The increase of 7.8 percent in criminal cases filed has been substantial but the biggest increase has been in civil cases, where the number filed has risen from 24,382 in fiscal 1960 to 28,361 in fiscal 1964, or 16.3 percent. Most of these civil cases involve suits on debts due the Government, arising out of Federal aid programs.

The volume of new business has increased to the point where U.S. attorneys and their assistants are unable to close as many cases as are received in any year, not to speak of making any inroads on the backlog. The last fiscal year in which any reduction in the backlog was achieved was 1959.

One of the categories of work in which the increase has been most pronounced is appeals cases. In fiscal 1964, U.S. attorneys filed and terminated more appeals cases than in any of the preceding fiscal years for which we have records. A total of 2,032 criminal and civil appeals cases were filed—312 more than in the previous year; and 1,759 cases were closed—140 more than in fiscal 1963. The steady increase in this category of work can be seen in the fact that total appeals filed in fiscal 1964 were 31 percent higher than the average for the preceding 6

years; and appeals closed out were 25.3 higher than the average for the same period.

The work involved in preparing appeals cases can be more demanding and time consuming than the trial itself. This sharp increase in appeals work has made it necessary to double the appellate staffs in the larger offices, at the expense of the regular trial work of these offices. These stopgap methods enabled the U.S. attorneys to handle 8 percent more criminal and 30.9 more civil appeals and to close 15.3 percent more criminal and 2.3 percent more civil appeals than in the previous year. At the same time, however, the gap between the number of district court cases filed and closed more than doubled over that for fiscal 1963.

In view of the steady increase in all categories of work, it is not surprising that, once judgment is obtained and a case is marked "Closed" under the litigation reporting system, the legal staffs turn their attention to the new cases on which trial deadlines are approaching. Unfortunately the result of this combination of insufficient personnel and increasing workload has been a slackened effort in the collection of judgments.

Improvement of collection program.—During fiscal 1964, the collection program of the Department of Justice was taken under close study to determine ways in which it might be improved. The results of this study pointed to the need for closer departmental supervision of the collection effort in U.S. attorneys' offices and for additional legal and clerical personnel in such offices to handle collection work. The need for greater efforts in this area was further emphasized in a report by the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, of which Congressman Fascell is chairman, criticizing the Department's present collection procedures.

Early in fiscal 1965, plans were completed for an overall revision of the procedure in collections work. The revised procedure calls for the establishment of a reporting system, similar to the litigation reporting system now used for reporting the status of cases and matters. Under this system, the U.S. attorneys will report to the Department regularly on every judgment obtained by the Government, every payment made on each judgment, and the collection steps being taken to obtain payment. At the present time, the Department has no detailed record of the amounts owed on judgments or on debt claims which have not been reduced to judgment, nor any system for identifying individual payments with the judgments or claims to which they apply. Only lump sum figures on collections are reported by the U.S. attorneys to the Department. The new revision of the collection procedure will give the Department an accurate record of the percent of recovery obtained on debts due the Government, will furnish a check on the current collection activity of each U.S. attorney's office, and will prevent any debt matter from being overlooked or becoming delinquent.

The first step toward revising the collection system was begun in October 1964 when inventory forms were sent to all U.S. attorneys' offices. On these forms the U.S. attorneys were asked to enter all unpaid judgments outstanding in their offices. As of the first week in January 1965, returns on these inventory forms indicated that the number of outstanding postjudgment items will total between 80,000 and 100,000 accounts.

Original plans for the revised collection system contemplated that it would become operational in the early part of January 1965. The number of items to be inventoried, however, proved to be approximately twice as large as was expected, and the time allowed for processing this great volume of material had to be extended. It is now expected that the system will become operational in the latter part of February 1965.

Under the previous collection procedure, U.S. attorneys made some effort to collect on postjudgment items, but the main emphasis was on obtaining the judgment, thereby removing the case from the list of pending litigation, and reducing the size of the U.S. attorney's pending caseload. Under the new system, the case will be dropped from the list of pending litigation but at the same time will be entered on the list of pending unpaid postjudgment items. U.S. attorneys will be expected to take all possible steps to collect on these unpaid items, and each stage of the collection effort must be reported to the Department. In this way, an unpaid postjudgment item will remain active on the collection reporting listing until such time as it is closed by means of payment or a determination by the U.S. attorney that the item is uncollectible.

The need for reporting regularly on the collection activity being taken on each postjudgment account will increase very substantially the amount of time and effort expended by legal and clerical personnel on collection work. As the

new system is still in the preliminary stage, it is not possible at this point to gage the effect it will have on the purely legal work in each office, and on the number of cases that can be filed and terminated. As was noted earlier in this statement, the influx of new cases has been so great (12.2 percent over the past 4 years) that the U.S. attorneys have not been able to keep abreast of it, and there has been an increase each year in the pending caseload. The new collection system will cover a substantially larger number of items than the present litigation reporting system does. To maintain a followup on these items will require more of the assistants' time, and the sheer task of recording changes of status in this mass of collection items will demand more time and attention by the clerical personnel. Some indication of the dimensions of the task can be gaged from the fact that one district alone (California, southern) has approximately 7,000 postjudgment items. It should be emphasized that this covers postjudgment items only; it does not cover prejudgment items, of which there were some 26,000 pending on June 30, 1964, and on which changes of status must be reported regularly by the U.S. attorneys to the Department.

In short, a whole new category of work, in the form of a postjudgment collection reporting system, will be added to the already burdened schedule of the U.S. attorneys' offices. The new work will require additional personnel. It is expected that the increase in moneys collected as a result of the new system will more than cover the salaries of the additional personnel. The additional positions requested for fiscal 1966—15 assistants and 25 clerks—are needed in order to keep ahead of the rising caseload and to perform the responsibilities imposed by the new postjudgment collection system. It should again be emphasized that no accurate estimate can be made at this time of how many additional employees will be required to handle the added work posed by the new collection system. It is sincerely hoped that the 40 additional positions requested will prove sufficient. If this number should prove inadequate, the Department will perforce have to ask for further additional positions, if it is to (1) comply with the suggestions contained in the report of the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, with regard to upgrading and improving the postjudgment collection program; and (2) make considerable reduction in the pending caseload.

Production figures for fiscal 1964

In terms of cases filed and terminated, the past fiscal year was a recordbreaking one for the U.S. attorneys. After a 6-year period in which the number of new cases filed never arose above 55,364, and in which the average number of new cases received each year was 54,281 the number of new cases filed rose to 57,153 in 1962, to 59,606 in 1963, and to 61,362 in 1964. Despite the most strenuous efforts of the U.S. attorneys, the number of cases terminated, although up by nearly 1,000 cases over the previous year, could not keep pace with the volume of new business received. As a result, the number of cases pending increased by 1,360, or 3 percent in 1964. This increase in new cases filed reflects the general pattern of litigation in Federal courts, where total cases filed, both Federal and private, showed an increase over total cases terminated.

In fiscal 1964, the U.S. attorneys' offices filed more civil cases, terminated more civil and criminal cases, handled more criminal complaints and civil matters, and conducted more proceedings before grand juries than in any of the preceding 10 years.

The volume of work handled in every category, except criminal cases filed, increased substantially and topped a number of existing records for the preceding 10 years for which statistics are available. Except for the recordbreaking year of 1963, the number of criminal cases filed was higher than for any of the preceding 10 years, according to the standards of comparison now being used. In 1954 and 1955, the figures for criminal cases filed included 13,000 and 8,500 "wetback" cases, respectively. Since 1955, routine cases of this type have been handled with the Immigration and Naturalization Service, and only chronic offenders have been brought before the U.S. attorneys. This accounts for the appreciable drop in criminal cases after fiscal 1955. Accordingly, if the 13,000 "wetback" cases filed in 1954 and the 8,500 such cases filed in 1955 were removed from the totals for those years, such totals would be below the total for fiscal 1964. The same considerations apply to the totals for 1958 and 1959 when approximately 2,200 Alaskan "local" offenses were added to the totals for the first time, and thereafter deleted when Alaska became a State. The number of criminal cases filed in fiscal 1964 exceeded by over 1,900 the average number filed in any of the preceding 10 years.

The number of civil cases filed in fiscal 1964 was substantially higher than in any of the preceding 10 years. The 28,361 civil cases filed exceeded by over 4,400 cases the average number of of civil cases filed in each of the prior 10 years, and exceeded the total for 1963 by 1,990 cases, or 7.5 percent.

Total cases filed were higher than in any of the 10 preceding years, according to the standards of comparison now being used. The total filed in 1964 was over 6,300, or 11.5 percent, higher than the average for the 10 preceding years, and was higher than the 1963 total by 1,756 cases, or 2.9 percent.

Both criminal and civil terminations exceeded the totals for the past 10 years, according to the standards of comparison now being used. Criminal case terminations increased 128 cases over fiscal 1963. Civil case terminations were 855 cases, or 3.2 percent, higher than in the previous year, and exceeded the 10-year average by 4,300 cases, or 18.6 percent. The number of criminal case terminations, according to current standards of comparison, was higher than in any of the preceding 10 years, and exceeded the 10-year average by 1,234 cases, or 3.9 percent. Combined criminal and civil terminations were 983 cases, or 1.6 percent higher than in fiscal 1963, and exceeded the preceding 10-year average by 5,534 cases, or 10.1 percent.

The number of criminal trials conducted in fiscal 1964 rose above the number for the preceding year. The 3,523 criminal trials held in fiscal 1964 was 176, or 5.2 percent more than the total for fiscal 1963. This total was higher than for any of the 10 previous years, and exceeded the average of the previous 8 years by 243 trials, or 7.4 percent. Emphasis on criminal trials during the year caused a decrease in civil trials. The total of 1,662 civil trials held in fiscal 1964 was 279, or 14.3 percent lower than in the previous year.

In 1964, the number of grand jury proceedings conducted was greater than in any of the preceding 9 years. The 16,480 proceedings conducted exceeded those for 1963 by 359, or 2.2 percent, and exceeded the average for the previous 10 years by 994, or 6.4 percent.

Total criminal complaints received during 1964 reached an alltime high of 120,860. This represented an increase of 5,251, or 4.5 percent, over the preceding year, and a rise of 17,846, or 17.3 percent, over the average for the preceding 10 years. Civil matters received rose by 2,535, or 7.5 percent from 1963, and totaled more than in any of the past 10 years. The number of civil matters received in 1964 exceeded the 10-year average by 4,663, or 14.9 percent. Total criminal and civil matters received hit a new high of 156,808, which was 7,786 more than in 1963, and which exceeded the 10-year average by 22,508 matters, or 16.7 percent.

Total collections by U.S. attorneys during the 1964 fiscal year aggregated $56,390,892. Compared with the adjusted figure for 1963, this represented an increase of $14,279,588 or 33.9 percent. Through the adoption of improved collection procedures in fiscal 1965 we hope to be able to increase the amount of money recovered on judgments and claims due the Government in the future.

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 1964, in a total of 1,275 suits in which the Government was involved, a total savings of $122,043,139 to the Government was achieved; 766 cases involving $52,117,260 were compromised for $7,315,115, a saving of $44,802,145; in 312 cases won by the Government $66,728,053 was involved; and in 257 suits against the Government involving $18,107,538, only $7,598,597 was recovered. When this total saving of $122,043,139 is added to the aggregate of $56,390,892 actually collected for the Government in fiscal 1964, we find that the U.S. attorneys effected a return to the Government of $178,434,031, an increase of $80,341,662, or 81.9 percent over fiscal 1963. The cost of operating U.S. attorneys' offices for fiscal 1964 amounted to $17,309,063, as compared to $16,295,105 in fiscal 1963, an increase of 6.2 percent.

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 1964, a total of $21,644,297, or 16.0 percent of the aggregate collections, was recovered without actual suit or prosecution.

In 1963, the Department requested that emphasis be placed on the disposition of pending civil cases, which had risen by 6,000 cases in the 7-year period 1956–62 and which constituted 71 percent of the pending caseload in 1962. In response to ths request, the U.S. attorneys disposed of more civil cases than in any of the preceding 8 years, and over 3,500 more than in fiscal 1962. As a result the pending civil caseload was reduced for the first time since 1959. In fiscal 1964, similar emphasis was placed on disposing of civil cases, but the result

was less successful. While the number of civil termination rose by 831 cases, this amount was not sufficient to effect a reduction in the pending caseload, which represented 69.7 percent of the total pending caseload on June 30, 1964.

Detailed explanation of increase

		New positions and related costs, collection reporting system (10-month basis)	Statutory provisions	Other	Total
11	Personnel compensation				$262,900
	Public law 88-426 (Pay Act) approved Aug. 14, 1964; to annualize cost in 1966 fiscal year		$15,200		
	Statutory step increases		45,900		
	15 additional assistant attorney positions, at $6,900 each; 25 GS-6 clerical positions, at $5,505 each (total number requested 40)	$201,000			
	Regular pay above the 52-week base required for 40 additional positions	800			
	Total	201,800	61,100		
12	Personnel benefits				34,000
	Mandatory increases for existing staff		21,000		
	To provide benefits for 40 additional positions	13,000			
	Total	13,000	21,000		
21	Travel and transportation of persons				9,400
	To provide travel for 40 additional positions at $282 each	9,400			
23	Rents, communications, and utilities				60,300
	Increase based upon anticipated increased volume of work			$24,000	
	Rental of space required for 40 additional positions at $750 per year on an annual basis	25,000			
	To provide communications service for 40 additional positions at $340 each	11,300			
	Total	36,300		24,000	
24	Printing and reproduction				19,100
	Increase based upon anticipated increased volume of work			11,000	
	Printing of briefs and records; to provide increases for 40 additional positions at $242 each	8,100			
	Total	8,100		11,000	
25	Other services				18,800
	Reporting services; to provide for 40 additional positions at $564 each	18,800			
26	Supplies and materials				2,700
	Supplies, etc., for 40 additional positions at $75 each	2,700			

	1965 estimate	1966 estimate	New positions and related costs, 10-month basis	Statutory provisions	Other	Total
31 Equipment						$9,100
Adding machines (10)	$3,790	$3,790				
Dictating machines (16)	6,576	6,576				
Transcribers (8)	3,288	3,288				
Electric typewriters (100)	44,200	44,200				
Photocopying machines (25)	8,800	8,800				
To provide furniture and equipment for 15 additional attorney positions, at $375 each and 25 clerical, at $700		23,100	$23,100			
Furniture (Post Office-controlled buildings)	24,000	24,000				
Furniture (GSA-controlled buildings)	32,400	32,400				
Furniture and equipment for new Federal buildings	82,000	82,000				
Library equipment:						
Accessions	35,000	35,000				
Continuations	155,000	155,000				
Miscellaneous items	28,946	14,946			−$14,000	
Total	424,000	433,100	23,100		−14,000	
Total increase, 1966			313,200	$82,100	21,000	416,300

	Actual			Estimated	
	1962	1963	1964	1965	1966
Cases:					
Pending beginning of year	[1] 28,437	[1] 31,674	[1] 32,261	33,621	34,021
Received	57,153	59,606	61,362	62,300	63,300
Terminated	53,916	59,019	60,002	61,900	63,900
Pending end of year	[1] 31,674	[1] 32,261	33,621	34,021	33,421
Matters:					
Pending beginning of year	23,186	26,601	25,866	25,854	26,000
Received	147,071	150,022	156,808	160,000	165,000
Terminated	86,503	91,958	96,190	101,000	106,000
Filed as cases	57,153	58,799	60,630	58,854	58,000
Pending end of year	26,601	25,866	25,854	26,000	27,000
Civil cases filed	25,242	26,371	28,361	28,800	29,300
Civil cases terminated	22,899	26,473	27,328	28,300	29,300
Criminal cases filed	31,911	33,235	33,001	33,500	34,000
Criminal cases terminated	31,017	32,546	32,674	33,600	34,600
Criminal complaints filed	111,928	115,609	120,860	140,000	160,000
Proceedings before grand jury	15,826	16,121	16,480	16,600	16,800
Civil matters received, not on court docket	35,143	34,413	35,948	36,500	37,500

[1] Adjusted to reflect changes in statistics previously reported.

Criminal trials in U.S. district courts

Fiscal year	Criminal court trials	Criminal jury trials	Total trials
1962	1,083	2,363	3,446
1963	1,113	2,234	3,347
1964	1,102	2,421	3,523
ESTIMATED			
1965	1,150	2,600	3,750
1966	1,150	2,600	3,750

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
1962	5,293,423	724,673	397,666	15,146,809	21,562,571	125,314	[1] 22,392,490
1963	5,809,885	378,540	404,381	16,924,735	23,517,541	90,767	18,502,996
1964	5,953,409	323,620	476,498	27,993,068	34,746,595	95,487	21,548,810
ESTIMATED							
1965	6,500,000	400,000	600,000	32,250,000	39,750,000	150,000	23,000,000
1966	7,500,000	550,000	850,000	33,750,000	42,650,000	250,000	26,000,000

[1] Adjusted to reflect deletions of collections made exclusively by I.R.'s in Cal. S. from October 1961 to June 30, 1962, inclusive, which were erroneously reported.

NEW POSITIONS

Mr. ROONEY. What about this requested increase of $416,300, Mr. Brady?

Mr. BRADY. Mr. Chairman, that concerns chiefly the requested addition of 15 assistant U.S. attorneys and 25 clerical help.

Mr. ROONEY. You want to add 40 people to the payroll?

Mr. BRADY. We were hoping you would approve the addition of these 40 people to the payroll, mainly because we have undertaken over the past year a new system of collection of judgments, fines, and forfeitures throughout the 92 U.S. attorneys' offices.

This began last March and it is proceeding still so that we can get all of the judgments and fines which are owed to the U.S. Government on an IBM Mark-Sense inventory setup. That is the main reason why those 40 personnel are requested so urgently at this time.

Mr. ROONEY. You are going to have 15 attorneys working on this IBM setup?

Mr. BRADY. We will probably have more than 15 working on collection procedures, but there are certain offices that need attorneys to work on it exclusively; that is, the problem.

We feel that the only way this can be properly put together is by assigning attorneys in our large offices to spending virtually their full time on getting their inventory system set up. This is very much like the setup in 1954 when all of the litigation in the Department of Justice was also put on inventory forms and Mark-Sense cards as well.

This is the first time we have done it with judgments, fines, and forfeitures. We estimate there are going to be 100,000 such individual items in regard to the system.

Mr. ROONEY. How much money would the taxpayer get out of this, if anything?

Mr. BRADY. Since this drive started just about a year ago, I think it is fair to say that the improvement in the collections within the U.S. attorneys' offices has been very noticeable.

Mr. ROONEY. Do you have any figures on that?

Mr. BRADY. In fiscal 1964, we went up to $56 million, which was a $14 million increase over fiscal 1963.

There was an increase of $14 million, and for the first half of fiscal 1965——

Mr. ROONEY. You are speaking of current collections, including the overdue collections or the old items, old judgments, when you use these figures?

Mr. BRADY. We are speaking of everything.

Mr. ROONEY. That is what I thought.

Do you have a comparison, moneywise, between those that had been sitting there for a year or more?

Mr. BRADY. No; we do not have that information yet but we would have that information on the completion of our inventory and Mark-Sense cards for each individual item in approximately 6 months; we will have all of that information.

Mr. ROONEY. Did you think this one up all by yourself?

Mr. BRADY. No; we started on the road to this for many reasons, and I think it probably started sometime in 1963 with a congressional subcommittee. They helped us along.

Mr. ROONEY. That was what I was afraid of.

Did they suggest you hire a collection agency to get these past due or aged judgments cleaned up?

Mr. BRADY. That was one of their recommendations, Mr. Chairman.

Mr. ROONEY. You want to do it by putting 40 more people on the payroll that you would never get off again.

Mr. BRADY. We have an expanding field here which we really cannot control. We have watched it grow in the last 5 years and we feel from this experience it is going to continue to grow. The mere fact we are adding 40 people, I think, is just going to keep us current, in our opinion, in the coming fiscal year.

Mr. ROONEY. I suppose your mentality on this subject would be as follows: If you folks do not have—perhaps I should use the word "nerve" although I want to be kind here, and I am not being personal—do not have the nerve to stand up against this sort of business, you are going to leave it to this committee to do it? That is about it, is it?

Mr. BRADY. No.

Mr. ROONEY. Every time anybody thinks up an idea, it always entails the expenditure of money and you people downtown never have the gumption to get up and say, "No; we are not going to do this. We have been working on our present system for years and it is foolproof."

Is that a fair statement?

Mr. BRADY. Well, I think our biggest problem is that we are basically a service agency and we are not in a position to determine how much business is going to come to us. It has just been growing steadily. It is a little difficult for us to be accurate from year to year and we feel now that unless we get some more help that this new program is going to suffer and we just——

Mr. ROONEY. Why do you not just call in some really get-them-fast collection agency and make an agreement to give them a contingent 10- or 15-percent fee of what they collect on these old judgments? That was suggested by the committee, was it not?

Mr. BRADY. That was discussed by us and the committee.

The problem is that if this get-them-fast agency runs into a situation like this, you have them representing the U.S. Government.

Mr. ROONEY. That would not be dignified, I suppose?

Mr. BRADY. Not so much that, but they are going after people——

Mr. ROONEY. Mr. Brady, if you are going to say it is more dignified to do it by putting 40 more people on the payroll from here to the end of the 21st century, I am going to agree with you. I have to agree with you that it would be more dignified.

WORKLOAD

How is your workload?

Mr. BRADY. The workload has increased. The total amount of terminations is over 60,000 for the first year since 1954 and 1955.

Mr. ROONEY. By your terminations do you mean filings and terminations of closings and terminations?

Mr. BRADY. Filings and terminations.

Excuse me. We have handled more criminal complaints and civil matters than ever before. Our grand jury proceedings have increased to the point that they have never been higher.

Mr. ROONEY. Where are your grand jury figures?

Mr. BRADY. One of the problems we have run into is in our appellate work.

Mr. ROONEY. They are not increasing to any great extent, are they?

Mr. BRADY. They increased 360 proceedings.

Mr. ROONEY. Out of 16,000 or 17,000?

Mr. BRADY. Yes, sir.

Mr. ROONEY. That is a minimal increase, is it not?

Mr. BRADY. It is a small increase.

Mr. ROONEY. Yes.

Mr. BRADY. We have had a large increase in all of our appellate work at all divisions. This is a problem that has caused the U.S. attorney offices to be extended during the last 18 months really. We have increased our handling of appeals to 3,791.

Mr. ROONEY. The criminal cases filed went down last year from the previous year, did they not?

Mr. BRADY. Slightly.

As I noted earlier on collections, this went from $42 to $56 million; and then for the first 6 months of the current fiscal year we have $39 million as opposed to $30 million, which is another large increase in the collection work.

I think with the help of Congressman Fascell's committee, we have sent our report to all of our U.S. attorneys and the results of that committee's work has made our effort in bringing collections to our U.S. attorneys' attention easier.

Mr. ROONEY. It seems that anything that happens up here on the Hill, even if it is only a meeting of the "Secret Six," that will recommend the addition of people to the payroll and the expenditure of taxpayers' money, everybody downtown is all for it. This is not a very good system.

Thank you, gentlemen.

Mr. BRADY. Thank you, sir.

U.S. Marshals

TUESDAY, MARCH 2, 1965.

WITNESSES

JAMES P. McSHANE, HEAD, EXECUTIVE OFFICE FOR U.S. MARSHALS
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. The second part of this requested appropriation, gentlemen, is for the U.S. marshals and is to be found under tab 22 of the justifications book.

We shall insert at this point in the record pages 22–1 through 22–8.

(The pages follow:)

U.S. marshals

Appropriation, 1965	$12,415,000
Proposed pay act supplemental	355,000
Appropriation adjusted, 1965	12,770,000
Estimate, 1966	12,943,700
Increase	173,700

AMOUNT REQUESTED

It is estimated that $12,943,700 will be required to operate the U.S. marshals' offices in the 1966 fiscal years, an increase of $173,700 over the amount available for 1965.

The increases are as follows:

To upgrade 200 field deputy positions from GS–7 to GS–8	$100,000
Statutory provisions:	
Within-grade salary increases	31,400
Additional cost of 1964 Pay Act	4,800
Personnel benefits	24,000
Total	60,200
Other increases (miscellaneous costs)	13,500
Total	173,700

GENERAL STATEMENT

U.S. marshals are an integral part of the Federal law enforcement system. They have a widespread range of increasing responsibilities in Federal law enforcement. In addition to their administrative assignments from the Attorney General, they execute lawful orders and commands of the Federal courts, serve process issued by Federal courts on behalf of the United States and private litigants, and attend sessions of the district courts and courts of appeal when so required. They serve process issued by congressional committees and governmental regulatory bodies, and are called upon to maintain order during congressional hearings. Federal marshals arrest, guard, and transport Federal prisoners; seize, guard, and sell, or otherwise dispose of personal or real property pursuant to Federal court orders; and serve as disbursing officers for the Department of Justice and the U.S. courts.

Deputy marshals, in cooperation with other agencies, are performing more and more investigative and surveillance work, and assisting in raids in the gambling and narcotics field. This is a result of the more vigorous efforts which have been exerted to enforce Federal laws, prosecute and combat organized crime and members of crime syndicates engaged in racketeering, gambling, narcotics peddling, counterfeiting, and other illegal activities. Deputy marshals also are being called upon to guard Government witnesses and their families. These witnesses are necessary and vital to the successful conclusion of criminal trials and would not otherwise testify for fear of their lives.

During fiscal year 1964, deputy marshals were called upon on several occasions to protect a Federal judge whose life had been threatened. They were also called upon to preserve law and order in special court proceedings and grand jury sessions involving civil rights problems. They also spent considerable time guarding sequestered juries in order to preserve the integrity and secrecy of jury deliberations.

Deputy marshals also performed surveillance and undercover work for the Department of Justice in areas where disturbances were anticipated or where it was believed there would be noncompliance with court orders. They were responsible for security arrangements during the Valachi hearings in Washington and in other areas of the country.

We have not asked for more employees in the hope that we will be able to absorb the changing work assignments with our present work force.

During the last fiscal year, the Civil Service Commission recognized the need for reclassification of some deputy marshal positions, and authorized the establishment of a senior field deputy marshal position at GS–8. It was not possible, because of lack of funds, to initiate this program. This program would, for the first time, allow for a promotion program in the Marshals' Service and would serve as an incentive or an inducement to deputy marshals. At the same time, deputy marshals who are already performing the duties of a senior field deputy should be compensated in a manner commensurate with their responsibilities. It is estimated that 200 positions will be affected and the annual cost of the upgrading will aggregate $100,000.

Through its executive development plan, the Executive Office improved management and administration at the district level. The Chief of the Executive Office personally surveyed the operations of many field offices, appraised operations of those offices, rendered advice regarding more efficient methods and utilization of man power, and followed through to insure that his recommendations were adopted. Plans were formulated for and the First National Conference of U.S. Marshals was held in Washington, D.C., in August 1964.

Training classes for all chief deputy U.S. marshals were conducted in Washington, D.C., and Denver, Colo. One training class for deputy U.S. marshals was held at Fort Knox, Ky., with 59 new deputies attending. Travel to and from these classes was, to the extent possible, combined with prisoner transportation. This training program is essential as a means of indoctrinating newly appointed deputies in their widespread responsibilities, the necessity to perform their duties with a high degree of efficiency, tact, and understanding, and to familiarize them with the great personal danger inherent in their work. At the local level, U.S. marshals are encouraged to conduct indistrict training programs.

Detailed explanation of increase

	Statutory provisions	Other	Total
11 Personnel compensation			$136,200
Public Law 88-426 (pay act) approved Aug. 14, 1964: To annualize cost in 1966 fiscal year	$4,800		
Statutory step increases	31,400		
To establish 200 senior field deputy positions on a selective basis by upgrading from GS–7 to GS–8		$100,000	
Total	36,200	100,000	
12 Personnel benefits			24,000
Mandatory increase for existing staff	24,000		
	24,000		
23 Rent, communications, and utilities			35,500
Reflects anticipated continued increase in volume of work		35,500	

	1965 estimate		1966 estimate		Statutory provisions	Other	Total
	Number	Amount	Number	Amount			
31 Equipment							−22,000
Revolvers	100	$4,400	100	$4,400			
Handcuffs	100	975	100	975			
Leg irons (pairs)	50	738	50	738			
Adding machines	25	9,475	25	9,475			
Electric typewriters	75	33,150	75	33,150			
1-ton panel-type truck for the southern district of California (for replacement of a 1958 Dodge truck)		3,500				−3,500	
1-ton panel-type truck for the southern district of New York (for replacement of a 1958 Chevrolet truck)		3,500				−3,500	
1-ton panel-type trucks for the District of Columbia (for replacement of 25 1958 Dodge trucks)	2	7,000				−7,000	
1-ton panel-type truck for the eastern district of Michigan (for replacement of a 1958 Dodge truck)		3,500				−3,500	
Furniture (GSA controlled buildings)		21,600		21,600			
Furniture (Post Office controlled buildings)		16,000		16,000			
Furniture and equipment (for new Federal buildings)		50,000		50,000			
Miscellaneous items		15,162		10,662		−4,500	
Total		169,000		147,000		−22,000	
Total increase, 1966					60,200	113,500	173,700

Workload, U.S. marshals

	Actual			Estimated	
	1962	1963	1964	1965	1966
Service in process:					
Process served	700,179	758,430	744,307	750,000	760,000
Process endeavors	176,275	176,412	173,834	180,000	185,000
Total	876,454	934,842	918,141	930,000	945,000
Cases filed:					
Criminal	31,911	33,235	33,001	33,500	34,000
Civil, U.S. and private	61,836	63,630	66,930	68,000	69,000
Total	93,747	96,865	99,931	101,500	103,000
Defendants arrested	15,797	15,633	14,946	15,500	16,000
Prisoners handled	181,826	193,081	203,404	205,000	208,000
Hours in court	175,754	184,116	185,285	190,000	195,000
Earnings	[1] $662,489	$755,744	$986,892	$1,000,000	$1,015,000

[1] 1964 budget estimate excluded $103,483 for the District of Columbia.

INCREASES REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount $12,943,700, a requested increase of $173,700 over fiscal year 1965 adjusted appropriation.

The increases are set forth on page 22–2 and indicate $60,200 of the $173,700 is for statutory provisions, whereas $100,000 would be to upgrade 200 field deputy positions from grade 7's to grade 8's; and $13,500 is for miscellaneous costs.

Did we have something like this before?

Mr. MCSHANE. Yes.

Mr. ROONEY. What happened to it?

Mr. MCSHANE. This was in the appropriation for last year and it was stricken, Mr. Chairman, because of the President's economy program. It was taken out with the understanding it could be resubmitted the following year, which would be now.

Mr. ROONEY. Are you recounting a conversation between yourself and myself?

Mr. MCSHANE. No, sir.

Mr. ROONEY. Or the President and yourself or the President and myself? I did not know he had relaxed his economy program.

Mr. MCSHANE. I think that that is something, Mr. Chairman, that is——

Mr. ROONEY. You know, Mr. McShane, that the President succeeded in reducing his budget below $100 billion for 1966?

Mr. MCSHANE. Yes, sir.

Mr. ROONEY. If I understood him correctly at the White House on last Thusrday evening, he expects the Congress, through its Appropriations Committees, to make further savings.

Would you say that this and the preceding item are places where you can make savings?

Mr. MCSHANE. I would not think in this area.

If you do, it has already had a very demoralizing effect on the deputies called upon to do these things, particularly these deputies of grades 6 and 7 who are called to give of their time and stay away from home weeks on end and who go into certain areas of our country and who have their lives endangered, and then to ask them to stay away for weeks on end with sequestered juries and to ask them to spend considerable time in guarding witnesses who have been threatened and who are to testify or who have cooperated with the Government, and then, also, to go into certain areas where they work with other Federal agencies on investigative matters doing comparable work with these people.

The people with whom they are working are getting grades 9 and 10 and 11 and they are doing the same type of work. I think it already has had a demoralizing effect but there was a hope held by a number of them that, come this year, the committee and the Congress would take a more liberal view of this.

This is long overdue.

Mr. ROONEY. No one, either last year or this year, could make a better and more sincere presentation with regard to this request than yourself.

Mr. MCSHANE. Thank you.

Mr. ROONEY. Let us take a hasty glance at the figures showing you have had a reduction last year from the year before in process served, in process endeavors, in criminal cases filed, and in number of defendants arrested; is that correct?

Mr. MCSHANE. That is correct, Mr. Chairman.

Mr. ROONEY. You do have this very minimal increase in civil cases filed?

Mr. MCSHANE. Yes, sir.

Mr. ROONEY. In this case, a 10,000 increase in the number of prisoners handled and about the same number of hours in court?

Mr. MCSHANE. Yes, sir.

Mr. ROONEY. That is a pretty good summary except for the last one, is it not?

Mr. MCSHANE. I think the last one is most important.

May we put that in the record?

Mr. ROONEY. The last one to which you have made reference is an indication that in 1964 fiscal year, you had earnings of $986,892 as compared with $755,744 in the year before; correct?

Mr. MCSHANE. Correct.

Mr. ROONEY. Of this $986,892 just referred to, how much went into the U.S. Treasury?

Mr. MCSHANE. I do not have the figures with me offhand, Mr. Chairman. Maybe Mr. Brown could enlighten me on that.

Mr. ROONEY. Would it all go in with the exception of the District of Columbia money which goes in on a percentage basis?

Mr. BROWN. That is right.

Mr. ROONEY. Is that correct?

Mr. BROWN. It would eventually get to the Treasury.

I do not know if it would be deposited this fiscal year but eventually it will get there.

PROPOSED LANGUAGE CHANGE

Mr. ROONEY. I think it was at the suggestion of the Department of Justice we inserted the language which appears at page 95 of the committee print: "and not to exceed $5,000 for loss of and damage to personal effects and property of U.S. attorneys and marshals."

Mr. BROWN. That is right.

Mr. ROONEY. Why do you want to take it out now?

Mr. BROWN. There recently has been enacted a statute that provides for settlement of claims for losses sustained in the course of employment which is really more liberal than this. It allows settlement up to $6,000 in any one case. So this provision actually would be a restriction under the new act.

Mr. ROONEY. We would save money to leave this in?

Mr. BROWN. Possibly.

Mr. ROONEY. Thank you, Mr. McShane.

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

FEES AND EXPENSES OF WITNESSES

WITNESS

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

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
11.4	Special personal service payments:			
	Fees, fact witnesses	385	440	440
	Fees, mental examinations	185	225	225
	Fees, expert witnesses	323	300	375
	Total, personnel compensation	893	965	1,040
21.0	Travel and transportation of persons:			
	Per diem in lieu of subsistence	316	350	350
	Mileage	1,182	1,425	1,350
	Expenses (Government employees)	55	60	60
99.0	Total obligations	2,446	2,800	2,800

Program and financing

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Program by activities:			
	1. Fact witnesses	2,123	2,500	2,425
	2. Expert witnesses	323	300	375
10	Total program costs, funded—obligations	2,446	2,800	2,800
	Financing:			
25	Unobligated balance lapsing	154		
40	New obligational authority (appropriation)	2,600	2,800	2,800
	Relation of obligations to expenditures:			
71	Total obligations (affecting expenditures)	2,446	2,800	2,800
72	Obligated balance, start of year	176	182	282
74	Obligated balance, end of year	−182	−282	−282
77	Adjustments in expired accounts	4		
90	Expenditures	2,445	2,700	2,800

Mr. ROONEY. The last item for today, gentlemen, is entitled "Fees and expenses of witnesses." It is to be found at page 99 of the committee print and under tab 23 of the justification book.

We shall at this point in the record insert pages 23–1 through 23–5.

(The pages follow:)

Analysis of estimate, fees and expenses of witnesses

Appropriation, 1965	$2,800,000
Estimate, 1966	2,800,000

FEES AND EXPENSES OF WITNESSES

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 ex-

amining 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 of information.

AMOUNT REQUESTED

Payments to witnesses in fiscal year 1964 totaled $2,445,571 or slightly less than the total of $2,498,955 paid in 1963. However, the upward trend in these payments which had prevailed for several years has resumed during the early months of fiscal 1965 as the total paid for the first 5 months of this year were almost 7 percent higher than the same period of 1964. At this rate the total for 1965 will exceed $2,600,000.

The current appropriation of $2,800,000 should be adequate to meet all foreseeable contingencies, except that the present limitation upon the total amount that can be paid for expert witnesses of $300,000 may have to be raised in 1965 and in 1966.

GENERAL STATEMENT

Fact witnesses are paid in accordance with statutory provisions. Special witnesses are paid only upon specific authorizations of the Assistant Attorney General for Administration.

The appropriations required from year to year are difficult to determine because the costs for witnesses fluctuate considerably. The estimate of $2,800,000 for 1966 is based on our best judgment that witness costs will not exceed that amount in the foreseeable future.

The annual requirements during the past 5 years are shown in the following table:

Fiscal year	Total paid	Percentage of change
1960	$1,772,868	
1961	1,803,945	+1.75
1962	2,165,751	+20.06
1963	2,498,955	+15.39
1964	2,445,571	−2.14

LIMITATION ON PAYMENTS TO EXPERT WITNESSES

The current limitation upon the total payments to expert witnesses is $300,000, although the limitation was raised to $325,000 by the Deficiency Appropriation Act, 1964, and a total of $323,350 was actually expended for that purpose in 1964. As payments through November 1964 were 49 percent greater than for the first 5 months of fiscal 1964 it appears inescapable that the present limitation will be inadequate and a request will have to be submitted to raise the amount. Although continuous efforts have been and will continue to be made to hold these costs to a minimum the fact remains that professional fees are increasing and higher payments for expert testimony are inevitable. Consequently, it is recommended that the limitation be raised to $375,000 in the Appropriation Act for 1966.

AMOUNT REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount $2,800,000, the same amount as appropriated for these fees and expenses in the current fiscal year.

This is an educated guess; is it, Mr. Brown?

Mr. BROWN. Yes, it is, Mr. Chairman. These fees and costs are very difficult to predict and we just sort of have to play it by ear.

Mr. ROONEY. How was our guess last year?

Mr. BROWN. Very good. I think it will be ample.

Mr. ROONEY. You asked for $3 million and we gave you $2,800,000?

Mr. BROWN. That is right.

Mr. ROONEY. And everybody is happy?

Mr. BROWN. Yes, sir.

Mr. ROONEY. What about this language change at page 99 of the committee print?

Mr. BROWN. Well, as you will recall, last year we had to come back and ask for an increase in the limitation on experts from $300,000 to $325,000. However, the appropriation for this year limits it to $300,000. The experience so far indicates that will be grossly inadequate. Through January our costs are running about 30 percent ahead of last year. Last year for 7 months we had obligated $226,500. Through January of this year we have obligated $294,000, which leaves us practically nothing for the last quarter of the fiscal year. So we are asking that you raise the limitation by $75,000.

Mr. ROONEY. That is a very substantial increase?

Mr. BROWN. It is, sir.

Mr. ROONEY. And how does that figure $375,000 compare with the amount used for these purposes the year we had all the noise about it? Were you there then?

Mr. BROWN. I was there but I do not remember what it was. I will say it has gone up steadily over the last 4 or 5 years.

(Discussion off the record.)

Mr. ROONEY. Are there any further questions, gentlemen?

Mr. CEDERBERG. Would you say that amount will go up as the Criminal Justice Act is implemented?

Mr. BROWN. I am afraid so.

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

Mr. ROONEY. Thank you, gentlemen. We shall now recess until 10:30 tomorrow morning.

WEDNESDAY, MARCH 3, 1965.

FEDERAL PRISON SYSTEM

WITNESSES

MYRL ALEXANDER, DIRECTOR
H. G. MOELLER, ASSISTANT DIRECTOR
WILLIAM E. ZACHEM, BUDGET OFFICER

Mr. SLACK. The committee will please be in order.

The next item to which we shall direct our attention is entitled "Federal prison system." It is to be found at page 116 of the committee print and the details are to be found under tab 26 of the justifications.

We shall at this point in the record insert pages 26–1 through 26–3.

(The pages follow:)

Summary of requirements

[In thousands]

All appropriations, 1965:	
Salaries and expenses, Bureau of Prisons	$54,750
Proposed supplemental due to pay increases	1,085
Buildings and facilities, Federal prison system	19,202
Support of U.S. prisoners, Federal prison system	4,400
Total	79,437
Estimate, 1966	65,370
Decrease, 1966 compared with 1965	−14,067

	Requirements		Increase (+) or decrease (−)
	1965 adjusted	1966	
Salaries and expenses, Bureau of Prisons	$55,835	$57,210	$1,375
Buildings and facilities, Federal Prison System	19,202	3,610	−15,592
Support of U.S. prisoners	4,400	4,550	150
Total	79,437	65,370	−14,067

DIGEST

The Bureau of Prisons was created by the act of May 14, 1930. The Director of the Bureau of Prisons is responsible for the maintenance and operation of all Federal penal institutions, the construction of new prisons and facilities, and for the management and confinement of all Federal prisoners.

The fund request is to finance activities of the Federal Prison System under three separate appropriations:

Salaries and expenses, Bureau of Prisons, $57,210,000

The funds are needed to operate the institutions of the Federal Prison System. The requested net increase totals $1,375,000. The amount will provide some additional personnel, a prerelease guidance center, improvement in care programs, necessary repairs and equipment in existing facilities, maintaining the level of employment, and compensation for employee injuries.

Buildings and facilities, Federal Prison System, $3,610,000

The amount requested will provide funds to plan a replacement of the New York Detention Center, for major plant modernization at four locations, elimination of water pollution at one institution, renovation of two surgical and medical facilities, construction of a new chapel, replacement of an inmate housing unit, rehabilitation of one electrical system, and continued repairs and improvements at various institutions.

Support of U.S. prisoners, Federal Prison System, $4,550,000

This amount is required for the care of prisoners, boarded in non-Federal institutions, who are awaiting trial or serving short sentences, and to reimburse St. Elizabeths Hospital for the care of patients serving Federal sentences.

Mr. SLACK. The total request for all appropriation items is $65,370,000.

We shall first have the general statement of the Director and then we shall turn our attention to the particular items.

GENERAL STATEMENT

Mr. ALEXANDER. Thank you, Mr. Chairman.

This is a rather unusual hearing for our Bureau because for 27 consecutive years, I believe, my predecessor, James V. Bennett, has appeared before this committee to present and justify our appropriation requests. Actually, for more than 30 years I worked with him in a variety of capacities in institutions, and for 14 years I was an Assistant Director, and even today, after all this time, he still serves as my adviser and consultant.

I think under Mr. Bennett's leadership the Bureau of Prisons has attained an unprecedented national and international reputation. So far as I am concerned, the basic organization of the Bureau after all these years is strong and since I have returned to the Bureau we are building on these basic strengths of the Bureau. In the past few months we have been engaged in an extensive critical self-examination of our responsibilities, methods, utilization of personnel, and utilization of institutions. We are bringing together a group of our

wardens and Bureau staff in about 6 weeks to review and study these management recommendations. In the meantime, however, we have in recent months proceeded with some very specific actions.

For example, during the past few months, in evaluating operations at the Atlanta Penitentiary, it became clear that farming operations were not profitable when we considered all costs of personnel and operating the farm camp. There are 22 people assigned to the farm camp, costing us $200,000 a year. And maintaining and operating the buildings cost another $40,000 a year. By closing out the farm operations and allocating an additional $80,000 for care to the institution for next year, we will save an estimated $160,000 in that operation during this coming year. We are therefore closing out the farm operations at Atlanta and by June 30 we will declare surplus to the General Services Administration 1,252 acres of valuable land at the farm bordering on Atlanta, and about 70 acres at the main institution, all of which are estimated to be worth about $3,500,000. We will be returning this to the General Services Administration and probably it will be returned to the taxpayers.

We have been operating three camps on Air Force bases. Because of reduced population we could no longer support the three camps and we notified Air Force that we must close either the Sewart or Maxwell Field camp. The Air Force decided on closing the Sewart camp. Effective February 1, 1965, that camp was deactivated with a reduction of 28 positions at an annual saving of $228,000.

These reductions and savings have been the result of frequent and regular conferences with the Attorney General and with the Bureau of the Budget. And these savings are reflected in an appropriate reduction in our appropriation requests for 1965 and 1966.

We have also engaged in a self-study in the Bureau's central office itself and have reorganized it into three divisions rather than the former four divisions.

And so, Mr. Chairman, we are moving through the early stages of a reevaluation of the management of the entire system in the light of changing requirements.

Mr. SLACK. Mr. Director, let me interrupt you for a moment.

Mr. ALEXANDER. Yes, sir.

RESULTS OF MANAGEMENT SURVEYS

Mr. SLACK. In speaking of these management surveys which you are presently making, will that save any money and, if so, where?

Mr. ALEXANDER. We have two goals in this: (1) To save money, (2) to increase the impact of our programs on the 22,000 inmates in our care. Precisely where these will occur, we are not as yet certain. In about 2 months we will be evaluating them.

Mr. SLACK. You do not have any figures as to the savings at this time?

Mr. ALEXANDER. Not for the future because we have not completed our studies as yet. We do know we are absorbing slightly in excess of $500,000 in salaries for this coming fiscal year and some of this, of course, may be and will be found as a result of the studies.

Mr. SLACK. What do you mean by impact on the prisoners?

Mr. ALEXANDER. Out of the 22,000 prisoners, we have 11,000 of these men who are 28 years of age and under. Their intelligence is the same

as that of the general population of the country but they are 4 years retarded educationally. This means a substantial number of our population, the youth, the young adults, are untrained for jobs. One of the important objectives of our agency is the work in the retraining of these young offenders. The impact on them will be in terms of education, in terms of training, in terms of improving our employment placement upon release. We think this is one of our critical goals and we need to substantially improve it. This, I maintain, is impact on young criminal careers.

Mr. SLACK. Go ahead.

Mr. ALEXANDER. The average population of our institutions has been declining, as the committee knows. We reached a peak in daily average population of 23,838 in fiscal year 1962. At the end of January 1965, that average reached 21,620, or 2,218 below the peak figure. We have engaged in specific studies and as a result of these we anticipate the average for 1965 will be 21,900, and we project an average for 1966 of 22,200. We project on the basis of data available to us that we have about reached the bottom of this and that there will be a slight increase next year.

Factors which have contributed to the population decline include increased use of probation in the Federal courts; there is a greater diversion of juvenile offenders from Federal courts to State courts; a growing policy of U.S. courts to recommend concurrent operation of State and Federal sentences in State institutions rather than in Federal institutions; there has been an increase in the use of executive clemency in adjusting excessive sentences; and, finally, we no longer are experiencing the large accumulation of long-term narcotic law violators.

We think these factors have operated about to the full extent of their impact in lowering our population.

SALARIES AND EXPENSES APPROPRIATION

If I could discuss for a moment our salaries and expenses appropriation, we are asking, after these reductions, for 56 additional positions, the justifications for which are explained in our submission. These are not custodial or operating or mechanical people, but are limited to specialized and professional personnel essential to program improvement.

We seriously need two additional dentists, one each at McNeil Island and Lompoc, each of which now has a single dentist who carries a patient load in excess of 1,000.

The additional positions of psychiatrists and clinical psychologists are critically needed to meet increasing demands of the courts for study and evaluation of defendants, those that are committed to us by the courts, before final sentence is imposed; and also to strengthen the treatment services required by prisoners who suffer from acute emotional disorders. Studies indicate about 20 percent of the prisoners in this country and in England and elsewhere present serious psychiatric and emotional problems.

The courts are currently referring upwards of 700 defendants for study each year. From discussions which I have had with judges at two sentencing institutes this fall, and at a recent meeting of the Judicial Conference Committee on Probation, I am convinced that

these requests for studies and observation are going to continue to grow and the load will increase in this.

I would like particularly to urge the approval of the seven positions requested to open another halfway house. We now operate four of these for juveniles and youths at New York, Detroit, Chicago, and Los Angeles, and our experience has given convincing evidence that this program should now be further extended.

Right now, in cooperation with the District of Columbia Department of Corrections and other Federal agencies, we are about to open a fifth center here in Washington. We have had strong expressions of interest from Federal judges and local communities in other metropolitan areas. As a matter of fact, some 15 Federal judges are urging that we establish these centers.

BUDGET REQUEST FOR GUIDANCE CENTERS

Mr. SLACK. Where are the funds coming from for the establishment of a center in the District of Columbia?

Mr. ALEXANDER. In part from our appropriation and in part from the District of Columbia Department of Corrections and in part from the poverty program. So while we are opening it and will have prime responsibility for its operation, we are getting support from a variety of interested sources.

Mr. SLACK. Was this asked for before this committee?

Mr. ZACHEM. Not specifically, Mr. Chairman. We have in our base funds for these guidance centers and this is being absorbed.

Mr. SLACK. It is either in there or it is not in there.

Mr. ZACHEM. The guidance center money which is in our base did not specify any special guidance centers in any special locations, so we are opening this by absorption in this program.

Mr. SLACK. Where is that item in this budget for this year?

Mr. ZACHEM. It is not specifically lined, Mr. Chairman.

Mr. SLACK. Then you feel you can open as many of these as you like and come back the next year and get additional funds?

Mr. ZACHEM. We are not asking for additional funds for this guidance center which we will open in the District of Columbia.

Mr. SLACK. How much are you spending on it? You must be taking it out of some other item?

Mr. ZACHEM. From the demonstration program funds which we have available in our base this year we will probably spend around $20,000, in conjunction with the Department of Corrections and the poverty program.

Mr. SLACK. How much was out of the present 1965 budget, that you are now operating under?

Mr. ZACHEM. How much is out of it?

Mr. SLACK. That is right.

Mr. ZACHEM. You mean for this project?

Mr. SLACK. That is right.

Mr. ZACHEM. Well, as I say, this will be about $20,000 of the 1965 funds available for this project.

Mr. SLACK. And how much will it be in 1966?

Mr. ZACHEM. It will be even less because we plan to step out of this program in the next 2 years and turn it over to the Department of

Corrections. So this is really a temporary project for the Bureau of Prisons.

Mr. SLACK. How much less? Can you give us the amount of money?

Mr. ZACHEM. We plan to share the operating expenses of this District of Columbia guidance center on the basis of 75 percent by the Department of Corrections and 25 percent by the Bureau of Prisons. I do not have the exact figures on the cost next year, but I can get them for you, Mr. Chairman.

Mr. SLACK. How did you arrive at the budget if you cannot give us a figure on this item?

Mr. ZACHEM. I do not have a copy of the budget with me, I am sorry.

Mr. SLACK. You have a copy of your request, do you not?

Mr. ZACHEM. We are not requesting additional funds, Mr. Chairman.

Mr. SLACK. But it is a part of the base for the money you are asking for?

Mr. ZACHEM. Yes, sir.

Mr. SLACK. You just do not come before the committee to justify the increases. You come to justify the entire amount.

Mr. ZACHEM. Yes, sir. We have in our "Salaries and expenses" base $500,000 for guidance centers and demonstration projects and this money is being used in that fashion.

Mr. SLACK. How much in 1966 are for guidance centers?

Mr. ZACHEM. We are only asking for the increase of one guidance center.

Mr. SLACK. What is the total amount in dollars?

Mr. ZACHEM. A $91,000 increase, Mr. Chairman.

Mr. SLACK. I want the total figure you are asking for guidance centers in this budget.

Mr. ZACHEM. $591,000.

Mr. SLACK. All right, Mr. Director.

Mr. ALEXANDER. I might add that this guidance center program on an experimental basis has attracted a good deal of attention around the country. We are frequently asked to consult with States and other systems establishing these programs. At the moment we are giving guidance to Kentucky in establishing a center. The interest is far beyond the Federal Prison system.

In the "Care per capita" allowance we are asking an increase from 86 to 88 cents, for an estimated total increase of $162,000. This increase would enable us to do two things: First, to improve the average gratuity given to prisoners at the time of release, which now is still under $25; and, secondly, it would enable us to meet the continually increasing costs of medicines and supplies and materials, which seem to constantly be rising.

This committee, as I know through the years and as I looked over the records, has been very considerate of the Bureau's needs in maintaining our physical plants. They continue to age and major equipment wears out more rapidly than we replace it. I hope the committee will consider favorably our request for an additional $500,000 to maintain our properties, which are valued at $250 million, and our major equipment, valued at $13 million.

The balance of our request will fund certain statutory items occasioned by salary increases. Although we are absorbing a considerable amount of increased salary costs, both for this year and next year, additional money is required to keep employment at a level to maintain custodial security and safety of plant operations.

BUILDINGS AND FACILITIES

With regard to the "Buildings and facilities" category, I will not repeat in detail the specific items which are set out in our submission. The largest item is a request for $1.5 million for "Repairs and improvements" at all institutions. With the support of this committee, a great many repairs have been completed in recent years, but there remains a backlog with new needs accumulating each year. As the committee knows, by and large this work is accomplished with inmate labor and our staff.

One of the most important items in our budget request is the $300,000 to plan a replacement for the Federal Detention Headquarters in New York City. The present facility was converted from an old waterfront garage in 1929 as a temporary measure, and it has continued as a temporary facility up to this time. The Senate Subcommittee on National Penitentiaries has urged the Attorney General to develop a proposal for the early replacement of this institution. The subcommittee has recommended that the design of the new facility make adequate provision for segregation of sentenced and unsentenced prisoners and administrative detainees now held in common quarters.

The courts also are increasingly critical of the inadequacies of services rendered in this complex metropolitan area. We have finally reached the stage where we need to plan a new institution to replace this old waterfront garage.

Quite recently, as the result of discussions with the General Services Administration, it has come to our attention that it may be possible to enter into a joint construction project with another Federal agency. I would like to say now that if this item is approved I will keep the committee advised step by step on the planning with GSA, on potential site selection, and those other aspects of it.

The remainder of the appropriation request will finance a number of major plant modernization and renewal projects. At McNeil Island, for example, we have been directed by the U.S. Public Health Service to discontinue emptying sewage into Puget Sound and we therefore ask $350,000 for the construction of a sewage treatment and disposal plant there.

We want to continue our schedule of building one new chapel annually and, in 1966, we are asking for funds to construct a new chapel at the Englewood Youth Center. Incidentally, a few weeks ago I attended dedication ceremonies for the new chapel at the El Reno Reformatory. It is a beautiful building. We had dignitaries there from all over the country. It is a great asset and a source of pride and inspiration to the inmates and personnel of the reformatory and to those driving down Route 66.

In April we will dedicate the new chapel at McNeil Island on Puget Sound. Sometime I hope I can get some of you gentlemen to attend some of these dedications. I will keep in touch with you on this.

SUPPORT OF U.S. PRISONERS

The request for "Support of prisoners" includes an increase of $150,000. Although there has been a slight decrease in inmate man-days in 1965, there has been a continuing increase in the average daily cost. For example, in 1964 our average daily cost per prisoner in non-Federal institutions was $3.53. This year it is averaging $3.66.

Also, $50,000 of the increase represents projected payments to the St. Elizabeths Hospital here in Washington for the care of an estimated average patient load of 15 psychiatric patients, and appropriation language is included for this purpose at the direction of the Bureau of the Budget.

FEDERAL PRISON INDUSTRIES

A brief word on Federal Prison Industries. During fiscal 1964 this Corporation sold over $39 million in goods and services, and earned about $6.6 million in profits. Out of these earnings a dividend of $4 million was paid into the Treasury of the United States. Just last Friday the Board of Directors of the Federal Prison Industries, Inc., met here in Washington and they declared another dividend of $4 million which will be paid into the Treasury this current year. We consider the taxpayers of the United States as stockholders of this Corporation.

NEW INSTITUTIONS AUTHORIZED

I want to report on the status of the new institutions previously authorized by the Congress. The project for the replacement of the National Training School at Morgantown, W. Va., is making satisfactory progress and is on schedule. We are now checking the detailed architectural drawings and expect to go to bid the end of this month. Our present plans call for the activation of the new school in fiscal year 1968, at which time the present training school property here in Washington, valued at an estimated $8 million, will be turned over to the General Services Administration for disposal.

In connection with the Morgantown institution, early this fall we brought GSA into our planning and into evaluating our cost estimates. As of now we are confident, on the basis of all assurances I can get, that the appropriation for Morgantown will be adequate.

Unfortunately, as you know, we now require and must submit a request for an additional $4.3 million over the funds available for the new psychiatric hospital at Butner, N.C. The detailed justification for this request is found in our submission.

The hospital is urgently needed for the United States, not only to diagnose and treat Federal prisoners with a varietyof mental and emotional disorders, but also to accomplish needed research pertaining to causes of these and related problems.

I appreciate, Mr. Chairman, that this deficiency request is unusual for the Bureau of Prisons. I was faced with a situation for which there is no alternative, and I urge your consideration and approval of it.

In conclusion I would like to say we have worked hard on this appropriation request. We think it is progressive. We have care-

fully examined our needs and are continuing to do this and, as I mentioned earlier, we intend to apply the best management practices to our operations and to make optimum use of all resources which are at our disposal.

Mr. SLACK. It appears as though it is progressing upward.

Mr. ALEXANDER. I beg your pardon?

Mr. SLACK. It appears to be progressing upward.

Mr. ALEXANDER. You mean so far as the dollars are concerned?

Mr. SLACK. That is correct.

Mr. ALEXANDER. Yes, sir.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	BUREAU OF PRISONS			
	Personnel compensation:			
11.1	Permanent positions	33,080	35,960	36,439
11.3	Positions other than permanent	75	75	84
11.4	Special personal service payments	406	406	406
11.5	Other personnel compensation	1,429	1,463	1,462
	Total personnel compensation	34,990	37,904	38,391
12.0	Personnel benefits	2,635	2,852	2,892
21.0	Travel and transportation of persons	526	457	461
22.0	Transportation of things	259	259	259
23.0	Rent, communications, and utilities	1,318	1,404	1,423
24.0	Printing and reproduction	55	55	55
25.1	Other services	358	358	358
26.0	Supplies and materials	9,534	9,148	9,531
31.0	Equipment	957	799	1,001
41.0	Grants, subsidies, and contributions	197	197	280
42.0	Insurance claims and indemnities	30	47	65
	Total costs, funded	50,859	53,480	54,716
94.0	Change in selected resources	−81	−66	−66
	Subtotal	50,778	53,414	54,650
95.0	Quarters and subsistence charges	−419	−475	−475
	Total obligations, Bureau of Prisons	50,359	52,939	54,175
	ALLOCATION TO DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
	Personnel compensation:			
11.1	Permanent positions	2,334	2,452	2,587
11.3	Positions other than permanent	10	12	12
11.5	Other personnel compensation	45	45	45
	Total personnel compensation	2,389	2,509	2,644
12.0	Personnel benefits	312	320	324
21.0	Travel and transportation of persons	26	26	26
22.0	Transportation of things	38	38	38
25.1	Other services	3	3	3
	Total obligations, Public Health Service	2,768	2,896	3,035
99.0	Total obligations	53,127	55,835	57,210

Personnel summary

	1964 actual	1965 estimate	1966 estimate
BUREAU OF PRISONS			
Total number of permanent positions	5,090	5,047	5,087
Full-time equivalent of other positions	69	68	67
Average number of all employees	5,040	5,036	5,067
Average GS grade	7.6	7.6	7.6
Average GS salary	$6,680	$7,184	$7,280
Average salary of ungraded positions	$7,692	$7,338	$7,776
ALLOCATION TO DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
Total number of permanent positions	283	283	299
Full-time equivalent of other positions	1	1	1
Average number of all employees	282	282	295
Average GS grade	8.6	8.8	9.0
Average GS salary	$7,838	$8,117	$8,150
Average salary, grades established by Act of July 1, 1944 (42 U.S.C. 207)	$9,565	$9,810	$10,010

Program and financing

	1964 actual	1965 estimate	1966 estimate
Program by activities:			
Operating costs:			
1. Custody, care, and treatment of prisoners in Federal institutions:			
(a) Custody	21,353	23,342	23,379
(b) Subsistence (including farming operations)	6,780	6,660	6,754
(c) Education and welfare	4,517	4,862	5,039
(d) Clothing, allowances, medical expenses, releases, and transfers	3,202	3,116	3,282
2. Maintenance and operation of institutions	14,391	14,850	15,385
3. Medical services	2,768	2,896	3,035
4. General administration	1,728	1,875	1,901
Total operating costs	54,739	57,601	58,775
Unfunded adjustments to total operating costs:			
Depreciation included above	−1,000	−1,000	−1,000
Property or services transferred in without charge	−807	−800	−800
Total operating costs, funded	52,932	55,801	56,975
Capital outlay:			
2. Maintenance and operation of institutions	970	800	1,001
Property or services transferred in without charge	−694	−700	−700
Total capital outlay, funded	276	100	301
Total program costs, funded	53,208	55,901	57,276
Change in selected resources [1]	−81	−66	−66
10 Total obligations	53,127	55,835	57,210
Financing:			
16 Comparative transfers to other accounts	4		
25 Unobligated balance lapsing	5		
New obligational authority	53,136	55,835	57,210
New obligational authority:			
40 Appropriation	53,140	54,750	57,210
41 Transferred to "Operating expenses, Public Buildings Service," General Services Administration (77 Stat. 436)	−4		
43 Appropriation (adjusted)	53,136	54,750	57,210
44 Proposed supplemental due to civilian pay increases		1,073	
Proposed supplemental due to military pay increases		12	
Relation of obligations to expenditures:			
10 Total obligations	53,127	55,835	57,210
70 Receipts and other offsets (items 11–17)	4		
71 Obligations affecting expenditures	53,131	55,835	57,210
72 Obligated balance, start of year	4,347	3,225	4,220
74 Obligated balance, end of year	−3,225	−4,220	−4,515
77 Adjustments in expired accounts	−53		
90 Expenditures excluding pay increase supplemental	54,200	53,790	56,880
91 Expenditures from civilian pay increase supplemental		1,039	34
91 Expenditures from military pay increase supplemental		11	1

[1] Selected resources as of June 30 are as follows:

	1963	*1964 adjustments*	*1964*	*1965*	*1966*
Stores	3,076		2,935	2,869	2,803
Unpaid undelivered orders	492	−21	531	531	531
Total selected resources	3,568	−21	3,466	3,400	3,334

Mr. SLACK. The first of the three items is entitled "Salaries and expenses" and appears at page 116 of the committee print and under tab 27 of the justifications.

We shall at this point in the record insert pages 27–1 through 27–16

(The pages follow:)

Salaries and expenses, Bureau of Prisons

Appropriation, 1965	$54,750,000
Proposed supplemental due to pay increases	1,085,000
Total, 1965	55,835,000
Estimate, 1966	57,210,000
Increase, 1966 compared with 1965	1,375,000

Table of increases

Requested increases	Positions	Amount
1965 appropriation		[1] $54,750,000
Proposed supplemental for employee pay costs		[2] 1,085,000
Total to be available in fiscal year 1965		55,835,000
Minus adjustments to 1966 base:		
(*a*) Population average from 22,800 to 22,200, at 86 cents		−188,000
(*b*) Additional absorption of employee pay costs in fiscal year 1966		−127,000
Appropriation base for 1966		55,520,000
1. Additional medical positions (PHS)	16	115,000
2. Additional education and recreation positions	3	17,000
3. Additional record clerk-stenographers	16	58,000
4. Additional casework supervisors	6	45,000
5. Caseworker aid positions	6	32,000
6. Additional central office positions	2	13,000
7. Additional prerelease guidance center	7	91,000
8. Care increase of 2 cents		162,000
9. Improving maintenance and equipment		500,000
10. Employee injury compensation		18,000
11. Maintenance of employment		639,000
Subtotal of increases	56	1,690,000
Appropriation requested for 1966		57,210,000

[1] There were no nonrecurring items in the 1965 appropriation.
[2] Net amount after absorption.

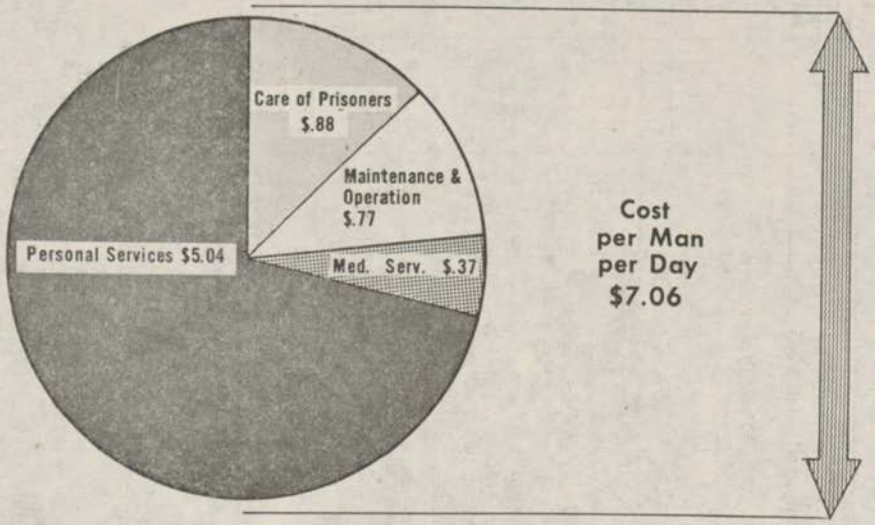
Additional medical positions (16) ($115,000)

The importance of improving psychiatric and psychological services increases as institutions refine diagnostic techniques and ability to control behavior of the very difficult individual. Eight additional professional staff will permit institutions to provide more analytical studies to courts in cases committed under the mental competency study provisions (18 U.S.C. 4244), the Youth Corrections Act, the Adult Sentencing Act, and the Juvenile Delinquency Act. The positions requested total $64,962 based on three psychiatrists at surgeon grade ($10,422) for $31,266; five psychologists at step 1 of GS–12 ($10,250) and personnel benefits for $55,350; and less 3 months employment lapse.

The institutions at McNeil Island (Wash.) and Lompoc (Calif.) have only one dentist each to provide necessary services. An additional dental officer is requested at each location to obtain a more adequate level of dental care. The estimate totals $15,633 based on two dentists at surgeon grade ($10,422) for $20,844, less 3 months employment lapse.

The 1,000-bed medical center at Springfield (Mo.) has a nursing complement which includes a director of nurses and eight nurse supervisors. One additional nurse supervisor position is required in order to provide extended nursing coverage during evening, night, and weekend shifts in the acute, medical, surgical, and tuberculosis wards. The request totals $5,848 and is based on step 1 of GS–9 ($7,220) plus personnel benefits for $7,798, less 3 months employment lapse.

ESTIMATED OBLIGATIONS FISCAL YEAR 1966



PERSONAL SERVICES	
Regular Salaries	$35,813,000
Night Differential	588,000
Part Time and Fees	490,000
Extra Pay Above 52-week Base	151,000
Holiday Pay	544,000
Overtime Pay	330,000
Benefits	2,892,000
TOTAL	$40,808,000

CARE OF PRISONERS	
Food	$3,890,000
Clothing	998,000
Recreation, Education, Welfare	367,000
Inmate Allowances	306,000
Medical Attention	460,000
Releases and Transfers	795,000
Custody	315,000
TOTAL	$7,131,000

MAINTAINANCE AND OPERATION	
Administrative	$1,042,000
Utilities	2,115,000
Vehicle Operations	344,000
Bldg., Grounds, Facilities	1,734,000
SUBTOTAL	5,235,000
Equipment	1,001,000
TOTAL	$6,236,000

MEDICAL SERVICES	
Allocation to P. H. S.	$3,035,000
ESTIMATED AVERAGE POPULATION:	22,200
TOTAL OBLIGATION	$57,210,000

One additional medical technical assistant is required at Terre Haute (Ind.), El Reno (Okla.), and Lompoc (Calif.). The additional positions are needed to provide evening coverage in the hospitals and to augment existing nursing, laboratory, and supervisory training functions at the three locations. The request for three positions totals $16,110 and is based on step 1 of GS–8 ($6,630) plus personnel benefits for $21,480, less 3 months employment lapse.

The medical center at Springfield (Mo.) has never had a medical record librarian. The functions have been provided by the office of the clinical director and an administrative aid. One position of medical record librarian is needed to bring the records function up to standards required by the Joint Commission on Accreditation of Hospitals. Establishment of the position would free the clinical director and his aid from purely technical matters involving medical records, enabling them to devote more time to the direction of clinical services which are primary responsibilities. The request for one position totals $7,006 and is based on step 1 of GS–11 ($8,650), plus personnel benefits for $9,342, less 3 months employment lapse.

A management survey team from the PHS Bureau of Medical Services recently conducted a comprehensive review and appraisal of medical services in the Bureau of Prisons. One recommendation in the final report is that a position of program analyst should be established in the central office. Duties would include program planning and evaluation; coordination of reporting systems with program development; developing statistical information; and involvement in reporting and information systems, work measurements, staffing studies, and related activities. The request for one position totals $7,006 and is based on step 1 of GS–11 ($8,650) plus personnel benefits, less 3 months' employment lapse.

The overall total increase to the Public Health Service allocation for 16 positions is $116,565, of which $115,000 is requested.

Additional education and recreation positions (3) ($17,000)

It has been the practice in the institutions to use inmates as teachers in many classes. From experience it has been found that the procedure detracts from programs affecting the inmate's view on law, government, and morality. The request is for an additional teacher at McNeil Island, Wash., to teach afternoon and evening literacy level and remedial classes. Also, one more teacher is needed at Chillicothe, Ohio. The two positions total $11,697 and are based on step 1 of GS–9 ($7,220) plus personnel benefits, less 3 months' employment lapse.

It has been found that recreation supervisors are invaluable in reducing free-time idleness which could lead to trouble. This is particularly true in youth institutions. The request is for another position at Petersburg, Va., which would be in addition to a recreation specialist already on the staff. The estimate totals $5,370 and is based on step 1 of GS–8 ($6,630) plus personnel benefits, less 3 months' employment lapse.

The overall total of three positions amounts to $17,067.

Additional record office clerk-stenos (16) ($58,000)

The positions requested would be used to handle typing, processing, and filing of records on inmates. These records include information on the inmate's connections 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 are not even available to the inmate's defense counsel. With present staffing, however, inmates consistently handle other inmates' records.

The Congress approved 16 positions of this type in the fiscal year 1963 appropriation. Experience to date indicates that from three to five additional civilian employees are required to do the work on records which is now done by inmates. The 16 positions requested will meet the need at all penitentiaries, the larger reformatories, and the medical center in Springfield, Mo.

The estimate totals $58,056 and is based on step 1 of GS–4 ($4,480) plus personnel benefits less 3 months' employment lapse.

Additional casework supervisors (6) ($45,000)

The positions of casework supervisors 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 contacts are required. In addition they provide direction, review, and consultation for the journeyman caseworker.

It is proposed to establish 6 additional positions at institutions having more

than a 500-average population. The request totals $45,039 and is based on step 1 of GS–11 ($8,650) plus personnel benefits, less about 3 months' employment lapse.

Caseworker aid positions (6) ($32,000)

One of the most difficult problems connected with recruiting and retaining qualified caseworkers is the multitude of routine tasks which must be performed. An experiment was conducted which utilized more experienced correctional officers as caseworker aids to assist inmates with correspondence lists and other routine needs. The procedure frees the professional caseworkers for more urgently needed counseling and community contacts. Results have been encouraging enough to justify a request to establish six permanent positions at the larger institutions. The total cost would be $32,220 based on step 1 of GS–8 ($6,630) and personnel benefits for $42,960, less 3 months' employment lapse.

Additional central office positions (2) ($13,000)

New sentencing statistics, new forms to meet new needs, and new functions in correctional work at most levels have continued to create more complex procedures for institutional record officers. It is almost an impossible task to provide adequate supervision from the central office with present staff. It is proposed to create one new supervisory position for records management in the central office. The request is for $7,006 and is based on step 1 of GS–11 ($8,650) plus personnel benefits for $9,342, less 3 months' employment lapse.

The number of commitments under 18 U.S.C. 4208(b) continues to increase each month as the courts take greater advantage of the law. As a result, more staff time is being devoted to analysis of cases and preparation of appropriate correspondence. Present central office staff is unable to accomplish the reporting requirements during the regular workweek for the study and observation cases. One additional adult case analyst is requested, totaling $6,399 based on step 1 of GS–10 ($7,900) plus personnel benefits for $8,532, less 3 months' employment lapse.

The overall cost of the two positions is $13,405.

Prerelease guidance centers ($91,000)

The fiscal year 1962 appropriation provided $500,000 to finance a demonstration program for intensive treatment of juvenile and youth offenders. The essential purpose was to apply the best available correctional knowledge to comparatively small groups of offenders. By testing results and by making information available to professional and lay persons concerned with delinquency control, it was hoped that patterns of treatment would be evolved which could be adapted by communities and institutions throughout the country.

Four prerelease guidance centers are operating in Los Angeles, Chicago, Detroit, and New York City. The District of Columbia is being planned as the site for another one in 1965. An intensive counseling project is being conducted at the National Training School (District of Columbia) and a correctional education program at Englewood, Colo. A study involving females is contemplated at Alderson, W. Va. Conclusions to date indicate that the projects have—

(*a*) revealed useful techniques in counseling and treatment;

(*b*) stimulated and encouraged local agencies to attack problems surrounding juvenile offenders;

(*c*) provided a much needed tool by which research data can be obtained for future evaluation; and

(*d*) assisted in closing the gap between institutions and probation offices.

It is proposed to add one more prerelease guidance center for youthful offenders in 1966. Metropolitan areas under consideration are San Francisco, Kansas City, Mo., St. Louis, Philadelphia, Denver, and Dallas-Fort Worth.

Funds are requested for:

Title	Grade	Positions	Basic amount
Center director	GS–12	1	$10,250
Employment officer	GS–11	1	8,650
Caseworker	GS–10	1	7,900
Counselors	GS–8 at $6,630	3	19,890
Clerk-stenographer	GS–5	1	5,000
Subtotal		7	51,690

Subtotal basic salaries	$51,690
Personnel benefits, 8 percent	4,135
Positions other than permanent	8,960
Premium pay	3,500
Employee transfers, 5 at $800 (4 at $800 nonrecurring)	4,000
Maintenace and operation costs	17,000
Major equipment ($1,500 nonrecurring)	2,000
Total appropriation required	91,285

Care increase of 2 cents ($162,000)

An increase from 86 to 88 cents is requested for the care per capita allowance. The amount is based on three areas of program improvement.

(*a*) The most serious problem is in discharge fund allowances; i.e., "gate money." The Federal prison system has for many years attempted to provide a suitable gratuity to those prisoners who have no personal funds when released. Yet records show that the average gratuity for releasees with no personal funds has been:

	Average gratuity
Fiscal year 1961	$20.98
Fiscal year 1962	21.62
Fiscal year 1963	21.68
Fiscal year 1964	24.13

The above means that in 1964 around 3,500 people left the institutions with an average of $24 to become reestablished in the communities. There is no doubt that lack of release funds contributes to the early downfall of ex-prisoners. An increase of 1 percent ($81,000) is requested to increase gratuities.

(*b*) For many years the Bureau of Prisons has been successful in locating and securing large amounts of usable issue clothing from surplus sources at no cost except transportation. Institutions report that surplus inmate clothing and shoes are becoming less plentiful and that more funds are being required to purchase new clothing. For example, on May 21, 1964, Leavenworth requested an additional $2,250 because "socks, shoes, and mattresses formerly secured on surplus, no longer available in sizes (quantities) needed." On May 22, 1964, Lewisburg reported, "Our stock of surplus clothing keeps dwindling and we will have to purchase more issue clothing during the coming year. We estimate that additional shoes will cost us $2,400 and foul weather gear and overcoats or winter work coats will cost us an additional $3,200." In view of the changing situation, an increase of one-half cent ($40,000) is requested to buy clothing and shoes.

(*c*) Increased court cases involving psychiatric and psychological treatment result in higher costs in the care account. This is true even though the population declines. Medical staffs in the institutions periodically report shortage of funds for drugs, medicines, supplies, and materials. For example, Atlanta in fiscal year 1964 required an additional $8,000 to finance adequate medical attention. One-half cent ($41,000) is requested to assist in coping with medical costs.

Improving maintenance and equipment ($500,000)

An increase of $500,000 is requested, of which $300,000 would be used for physical plant maintenance and $200,000 for major equipment.

(*a*) The problem of adequately maintaining aging physical plants appears practically endless. Projects amounting to $1,000 or more are contained in the buildings and facilities appropriation. The salaries and expenses appropriation provides for smaller requirements to be accomplished with institutional personnel and inmate labor.

Despite increases in available funds provided by the Congress during the last several years, there still exists a serious deficit in the program to keep $250 million worth of Federal property in safe condition and proper repair. For example, last year $314,423 was deferred in maintenance projects due to lack of funds.

The proposed increase of $300,000 would be distributed among 31 institutions in accordance with the size of their maintenance backlogs.

(*b*) Major equipment is defined to include those items or groups of items costing over $100. Although surplus property has been of significant assistance in replacing many kinds of equipment, there are substantial needs which we are unable to meet through surplus acquisitions.

Recorded book value of major equipment in the system is over $13 million. A survey made in fiscal year 1964 revealed that total replacement cost of food service equipment alone is over $2½ million. Annual depreciation is $183,502 but funds for major replacements in 1964 were only $100,000. These are items such as ovens, steamtables, and the like which are unavailable from surplus sources.

An increase of $200,000 is requested to improve the program of major equipment replacement.

Employee injury compensation ($18,000)

Legislation enacted in 1960 (sec. 209, Public Law 86–767, 5 U.S.C. 785) requires Federal agencies to reimburse the employees compensation fund for payments made to persons formerly employed by the agency. During fiscal year 1964, the amount paid by the Department of Labor was $67,656. Fund request is based on:

Total benefits paid in 1964	$67,656
Less amount in 1965 base	−50,000
Balance required in 1966	17,656

Maintaining level of employment ($639,000)

The fund request is to support authorized level of positions in fiscal year 1966. The additions are based on four factors:

(*a*) Wage board pay adjustments	$165,000
(*b*) Classified and military salary increases	21,000
(*c*) 1 additional day's pay	157,000
Less amount in 1965 base	151,000
Total	6,000
(*d*) Within-grade increases	447,000
Total	639,000

(*a*) During fiscal year 1964 a total of 807 wage board employees in 29 different institutions received pay increases amounting to $74,508 as a result of community wage surveys. The amount on an annual basis is $165,016, including retirement and insurance contributions. The fund request is the amount required to finance 1964 increases in fiscal year 1966 and does not include funds for possible increases in 1965 or 1966. The total is $36,000 less than a similar request in the previous year.

(*b*) Public Law 88–426 provided higher pay scales for classified employees and covered the period from July 5, 1964, to June 30, 1965. The fund request is for $18,000 to provide full-year financing for Bureau of Prisons and Public Health Service classified employees during the period July 1, 1964 to July 4, 1964 or three-tenths of a pay period.

Public Law 88–422 provided higher pay scales for military personnel and covered the period September 1, 1964, to June 30, 1965. The fund request is for $3,000 to provide full-year financing for Public Health Service commissioned officers in the Prison Service during the period July 1, 1964, to August 31, 1964.

(*c*) There are 261 workdays in fiscal year 1966 compared with the normal 260. The cost in fiscal year 1966 will increase from $150,669 to $157,090 on the basis of approved number of permanent positions in the 1965 appropriation. The request includes $6,421 for Public Health Service classified employees.

(*d*) The request of $447,000 is to fund those within-grade increases which are not fully financed by turnover savings. It is computed that there is a deficiency of $85 per employee. This is about one-fourth of the minimum step increases earned annually by a majority of the employees. If funds are not available, employment must be reduced. Custodial security and safety of plant operations require the Prison Service to fill most of its vacancies immediately. The fund request is based on personnel rosters and reports submitted by individual institutions and includes $19,000 for Public Health Service employees.

INCREASED REQUESTED

Mr. SLACK. The request is in the amount $57,210,000, which would be an increase of $2,460,000 over the amount appropriated to date for the current fiscal year.

How much of this increase is statutory?

Mr. ALEXANDER. $639,000 is for the maintenance of employment; $18,000 is for employee injury compensation.

Mr. SLACK. Would you break down the $639,000 item please?

Mr. ALEXANDER. Of this, $165,000 is for wage-board pay adjustments for blue-collar workers; $21,000 is for classified and military salary increases; $6,000 is for an additional day's pay and $447,000 is for within-grade increases.

Mr. SLACK. Those items total $639,000?

Mr. ALEXANDER. Yes.

ADDITIONAL PERSONNEL REQUESTED

Mr. SLACK. How much are you requesting for additional personnel?

Mr. ALEXANDER. $280,000 besides the guidance center personnel.

Mr. SLACK. How much is the total personnel including the guidance center?

Mr. ZACHEM. May I add that, Mr. Chairman?

Mr. SLACK. Certainly.

Mr. ZACHEM. Mr. Chairman, the total is $348,000 for additional personnel.

Mr. SLACK. Is that on a full-year basis?

Mr. ZACHEM. No, sir; only the guidance center. Other additions are on a three-quarter-year basis. There has been applied generally a one-quarter-year lapse.

Mr. SLACK. How much will it cost next year, then?

Mr. ZACHEM. It would be roughly one-third higher.

Mr. SLACK. Could you give me a figure on that?

Mr. ZACHEM. If I may be allowed a second to figure it.

Mr. SLACK. Certainly.

Mr. ZACHEM. I compute $433,000 on an annual basis.

Mr. SLACK. Thank you.

NONRECURRING ITEMS

How much is in this budget of a nonrecurring nature?

Mr. ZACHEM. I think on page 27–11 of our submission are the only two nonrecurring items we have this year. Those are $3,200 proposed for employee transfers for the new guidance center; and $1,500 nonrecurring for major equipment for the same facility.

NUMBER OF POSITIONS

Mr. SLACK. On page 27–3 of the justifications, under item 1, you are asking for 16 additional positions for the Public Health Service. How many do you now have?

Mr. ZACHEM. In 1965 we have a total number of permanent positions of 283 in the allocation to Public Health Service.

Mr. SLACK. How many positions do you have at the present time for education and recreation?

Mr. ALEXANDER. You mean total present?

Mr. SLACK. Right.

Mr. ALEXANDER. We will have to supply that for the record.

Mr. SLACK. If you would supply that for the record and at the same time the same questions would apply to items 3, 4, 5, and 6, so will you supply that for the record for each of those items?

Mr. ALEXANDER. Yes, sir, we will be glad to.

(The information follows:)

	Positions presently authorized
General education	99
Recreation supervisor	31
Record clerk-stenographer	65
Casework supervisor	14
Caseworker aid	0
Casework analyst, bureau	3
Records management, bureau	0

IMPROVING MAINTENANCE AND EQUIPMENT

Mr. SLACK. Now can you give us a breakdown of this requested $500,000 increase for improving maintenance and equipment, and at the same time tell us how much you have at the present time for this item.

Mr. ZACHEM. I can give you the amount that we spent in 1964 for major equipment.

Mr. SLACK. My question was, How much was in your 1965 budget for this item entitled "Improving maintenance and equipment"?

Mr. ZACHEM. $801,000 exclusive of the increase for major equipment.

Mr. SLACK. I think we are on two different subjects here. You are asking for a $500,000 increase on item 9 entitled "Improving maintenance and equipment." My question was, How much was appropriated for this item for 1965? How much do you now have for this item?

Mr. ZACHEM. $5,736,000, Mr. Chairman, for the entire maintenance and operation and equipment.

Mr. SLACK. I am speaking to item 9, "Improving maintenance and equipment." That item was not $5,736,000, was it?

Mr. ZACHEM. No, sir. I misunderstood your question. Under "Buildings and grounds" the amount is $1,434,000; and under "Major equipment" the item is $801,000; that makes a total of $2,235,000 in the current appropriation.

Mr. SLACK. How much was in the "Salaries and expenses" item for this item No. 9?

Mr. ZACHEM. The figure I gave you is all salaries and expenses, Mr. Chairman.

NEW GUIDANCE CENTER

Mr. SLACK. Mr. Director, where do you propose to place this new guidance center?

Mr. ALEXANDER. As I mentioned earlier, we have requests from about 15 cities for this, and where it would actually be placed we have

not as yet determined. This is dependent upon a number of factors. One, for example, is that frequently we can operate these jointly with the State. The Detroit center, for example, is being operated jointly with the State of Michigan. At the New York Guidance Center, we are getting support from New York. The actual specific location of this has not yet been determined.

Mr. SLACK. My next question was going to be how do you know you need $91,000 for it if you do not know where it will be?

Mr. ALEXANDER. We know what the staffing requirements are from our experience with previous guidance centers, and this is the requirement for staffing.

Mr. SLACK. This would not be only for staffing, would it?

Mr. ZACHEM. If I may answer this question?

Mr. SLACK. Certainly.

Mr. ZACHEM. The estimate of $91,285 on page 27–11 is computed on our experience at the other guidance centers already in operation.

Mr. SLACK. How many guidance centers do you have in operation at the present time?

Mr. ALEXANDER. Four.

Mr. SLACK. Where are they located?

Mr. ALEXANDER. Los Angeles, Chicago, Detroit, and New York.

Mr. SLACK. And how much are they costing per year?

Mr. ZACHEM. The total cost this year is $375,000.

Mr. SLACK. How much did you ask for them last year?

Mr. ZACHEM. For the guidance centers?

Mr. SLACK. Right.

Mr. ZACHEM. Nothing, sir.

Mr. MOELLER. If I may, Mr. Chairman, the development of guidance centers resulted from our having received an amended appropriation for fiscal 1962 of $500,000 for guidance centers and demonstration projects. We have retained the $500,000 in our base and have earmarked $500,000 exclusively, from year to year, for operation of the guidance centers and other demonstration projects which were financed from that appropriation.

Mr. SLACK. Then in view of what you have stated there was $500,000 in the budget?

Mr. MOELLER. Initially the funds were authorized as an amendment to our 1962 appropriation in 1961. Thereafter the $500,000 was incorporated in our base and we earmarked it specifically for the purposes for which it has been used.

Mr. SLACK. How much do you propose to obligate this year of that $500,000?

Mr. ZACHEM. All of it, Mr. Chairman.

Mr. SLACK. How much did you allocate last year?

Mr. ZACHEM. All of it.

Mr. ALEXANDER. Mr. Chairman, this is an item which is used for four guidance centers and experimental and demonstration programs, and from this are financed research and demonstration centers such as the youth center at Englewood, the National Training School for Boys, for cottage counselors in guidance work with youth, so that this has been earmarked and used, as I understand it, exclusively for these purposes, which include the prerelease guidance centers and the experimental and demonstration programs.

Mr. SLACK. Any questions?

EFFECTIVENESS OF GUIDANCE CENTERS

Mr. FLYNT. I was going to ask about the effectiveness of your guidance centers or halfway houses as you have evaluated them. How would you describe the results?

Mr. ALEXANDER. The results, I think, are exceptionally promising. These juvenile offenders, after being in our institutions a year or a year and a half or 2 years, leave the institution abruptly and go back into the community—and keeping in mind most of these people come from slum areas—the experience in this has been most unhappy through all the years. The prerelease guidance center provides a place to live, a controlled setting, they are evaluated on the jobs and on the homes, and it provides a gradual release presently of 2 to 3 months. We have had some built-in evaluations which seem to prove we have had some success, rather than having these people, after being in an institution, suddenly put back for example on West Madison in Chicago in the same old environment.

Mr. FLYNT. Do you feel the program has been in operation long enough to give you a good idea in regard to figures and percentages in the reduction of repeating-type offenders?

Mr. MOELLER. I do not believe we can give a specific answer to that. We are continuing to study the rate of success to date. The indications are we are being successful in about 70 percent of the returnees to the centers. I would not like to be held to that figure, however, because we have not had a long enough span to follow up, but the indications are we are doing very well. By contrast, the rate for return of parolees runs between 42 and 46 percent, and our figure is closer to 30 percent.

Mr. FLYNT. Are the people carefully screened who are sent to these centers?

Mr. MOELLER. Yes. However, as we have gained experience in the use of the centers we have been able to broaden the criteria considerably.

Mr. FLYNT. It is encouraging that you are broadening it.

Mr. MOELLER. Initially we imposed rather serious restrictions on the selection, but currently we are eliminating from transfer to the centers only persons who have long histories of narcotic addiction, people who have serious behavior problems and who have shown acute difficulties in adjustment.

Mr. FLYNT. It is a fact that the overall purpose of this is to keep these people from ever coming back into the prison system?

Mr. MOELLER. That is the objective.

Mr. FLYNT. Do you feel you are on the road to achieving that objective?

Mr. MOELLER. I feel we are making progress.

Mr. ALEXANDER. I might say this is a program which has many different aspects throughout the country. The State of North Carolina has 2,000 of their 10,000 inmates out on work programs but coming back to the institution at night. I went to North Carolina and spent a week familiarizing myself with the program. It is a promising program. Wisconsin has it. California, whose prison population now has exceeded ours, is using both halfway houses and prerelease programs. I think the most promising aspect is that there is a most hope-

ful prospect that some years in the future we will be coming in for less money rather than more money.

Mr. FLYNT. That is all.

Mr. SLACK. Mr. Joelson?

NARCOTICS OFFENDERS

Mr. JOELSON. Did I understand you correctly that the prison population based on narcotics offenders is down?

Mr. ALEXANDER. The residual of narcotics offenders, the carryover from year to year, is now decreasing. When the Narcotic Control Act of 1956 was passed there was a tremendous number of very long sentences imposed and from year to year this gave us an ever-increasing backlog of narcotics offenders in our institutions that were not eligible for parole and the sentences were long, et cetera. Now that has reached a plateau and is decreasing.

Mr. JOELSON. You do not mean to suggest there is less sentencing of narcotics offenders?

Mr. MOELLER. So far as narcotics commitments are concerned, there has been a fairly steady decline from a peak of 1,060 commitments received from the courts in fiscal 1961 to about 875 in 1964 and, as Mr. Alexander was pointing out, the year end population has decreased from 3,650 in 1961 to 3,240, roughly, in 1965. This is a factor of large numbers of men having completed the service of long mandatory sentences.

Mr. JOELSON. Of course I know this is not your responsibility, you do not sentence them, but it is surprising to me that in view of the obvious increased use of narcotics, the number of people sentenced is off considerably. This is very surprising to me unless the State courts are doing more in this field.

ADDITIONAL ON GUIDANCE CENTERS

Getting back to the halfway houses, do I understand the prisoners actually live there?

Mr. ALEXANDER. Yes; our halfway houses now are operated for juvenile and youthful offenders.

Mr. JOELSON. Only for juvenile and youthful offenders?

Mr. ALEXANDER. At the present time only for juvenile and youthful offenders, and in this we work in close coordination with the Board of Parole, with the Youth Division of the Board of Parole.

Mr. JOELSON. What is the average age?

Mr. MOELLER. They range from 18 to 25.

Mr. JOELSON. They actually reside in these halfway houses?

Mr. ALEXANDER. A typical one would be at Chillicothe, where he gets training to be an aircraft mechanic and he is certificated by the Federal Aviation Agency. Instead of being paroled he is transferred to a halfway house, say, at Detroit.

Mr. JOELSON. Who determines that?

Mr. ALEXANDER. That is determined jointly by our Bureau staff and the Board of Parole. The inmate is still in our custody and under our control. The youngster is observed and when he reaches a point where he seems self-sufficient, a parole is granted. This is the way it works.

Mr. JOELSON. In other words, he has gainful employment during

the day and must check back there at night?

Mr. ALEXANDER. That is right. In the evenings they may take a group of boys to a ball game. Our prerelease house at Detroit is right across from the stadium and the manager of the Detroit Tigers gives them passes so that they get into the community both in work and in recreation.

Mr. JOELSON. Do they keep the pay they receive?

Mr. MOELLER. If I may speak to that, the staff of the guidance centers work out a budget with the residents. They are allowed part of their income to provide for ongoing needs. The longer they stay in the center the more they are expected to take care of their own needs. The remainder of their income is deposited in a joint account with the director of the center and is available to them upon leaving the center.

Mr. JOELSON. You mentioned the poverty program as partially supporting the District of Columbia Center. Is that for maintenance or construction?

Mr. MOELLER. This is partly for the rental of the building, which is the 12th Street YMCA Building in the Cardoza district, and partly for remodeling the quarters, and some funds for staffing.

Mr. JOELSON. Do you know where the Antipoverty Act provides this, what section, offhand?

Mr. MOELLER. I am sorry, I do not.

GUIDANCE CENTER IN NEW YORK

Mr. JOELSON. Where is your guidance house in New York City?

Mr. MOELLER. It is the Christ Presbyterian Church House, 344 West 36th Street.

Mr. JOELSON. Is it in a house?

Mr. MOELLER. We occupy the fourth floor of the Christ Presbyterian Church House on a rental basis. This center is operated under contract with Springfield College, Springfield, Mass.

Mr. ALEXANDER. We will be very happy for you to visit it and talk to the boys.

Mr. JOELSON. That is all. Thank you.

Mr. SLACK. How closely have you been supervising the center in New York?

Mr. MOELLER. Mr. Chairman, we have been trying to provide very close supervision.

Mr. SLACK. Have you been actually supervising it?

Mr. MOELLER. I believe so; yes.

Mr. SLACK. What percentage of these people get into trouble and break their parole?

Mr. MOELLER. In New York, sir?

Mr. SLACK. Yes.

Mr. MOELLER. Mr. Chairman, of 61 residents released from the New York center in 1962 and 1963, 20 became parole violators or committed new offenses.

Mr. SLACK. What is the total for all four of them?

Mr. MOELLER. Of 320 releases from all centers in the same period 106 were failures.

Mr. SLACK. The total percent that cause you trouble and violate their parole?

Mr. MOELLER. About 30 percent.

Mr. SLACK. And these are reported to be the cream of the crop?

Mr. MOELLER. No, sir.

Mr. SLACK. They are not?

Mr. MOELLER. They are not. As I said, initially we did select very carefully but as we have gone along we have tried to accommodate in the center almost any juvenile or youth that had need for it.

Mr. SLACK. What was your total appropriation for the New York Guidance Center?

Mr. ZACHEM. In 1964 it was $98,700. This year it will be considerably less because we are sharing the expenses with the State of New York.

Mr. SLACK. In view of the fact you are closely supervising it, are you satisfied with the results?

Mr. MOELLER. Mr. Chairman, I would say we are quite encouraged by the results; yes, sir.

Mr. SLACK. But you are not satisfied with the operation?

Mr. ALEXANDER. I think we should point out that these are experimental programs, Mr. Chairman. We could have excellent results if we took only the cream of the crop, but as we go along we are trying different kinds of populations in the centers. As I say, it is experimental at this point.

Mr. SLACK. My question was: Are you satisfied with the operation under this contract?

Mr. MOELLER. With respect to the New York contract, I would say we have been generally satisfied. There has recently been a change in directors of the center under the contract and we are quite impressed by his abilities. We think he is going to provide strong leadership. We have had a number of difficulties in finding a suitable place to house the New York Center.

Mr. SLACK. Excuse me, but you are either satisfied with the operation or you are not satisfied. The answer would be "Yes" or "No."

Mr. MOELLER. I would say "Yes."

Mr. SLACK. Any further questions?

REDUCTION IN PAROLE VIOLATIONS

Mr. CEDERBERG. What is the normal percentage of parole violations?

Mr. ALEXANDER. With this age group?

Mr. CEDERBERG. Yes; with this age group that you have in the halfway houses. What I am getting at: You say you have 30 percent who violate their paroles. What is the normal experience of those who do not go to the halfway house?

Mr. MOELLER. In the aggregate, between 42 and 46 percent.

Mr. CEDERBERG. So we have had about a 12-percent improvement?

Mr. MOELLER. Hopefully.

Mr. CEDERBERG. I think this halfway house idea is a good idea and is certainly worth a try. Any time you can reduce the number of people who violate their parole you reduce the potential prison population.

Mr. ALEXANDER. Any time we discuss parole violations in terms of success or failure, there are so many variables. An experimental program in California, where a parole officer carried a caseload of 15, they had parole violations of 50 percent. Our normal youngsters living

under supervision of a parole officer with a caseload of 150 are less liable to be found in violation. In a halfway house he is under intensive supervision. So the fact there is 30-percent violation, it is very difficult to say this is a proportionate number. It may be they are more effective in detecting violations.

Mr. CEDERBERG. I notice your prison population is down this year yet you want 56 new employees.

Mr. ALEXANDER. Yes, sir. The reduction in our base for personnel for 1965 will be reflected in a supplemental for a pay increase, plus a reduction in the 1966 budget estimates, totals a $530,000 reduction. These reductions will come in our custodial officers, maintenance personnel, some through the closing of the Atlanta farm operations, camps, and other areas. We are not asking for a single person additional in the operating personnel but only for an increase in professional people to develop and intensify our programs, so they are for program improvements.

ADDITIONAL RECORD OFFICE CLERK-STENOGRAPHERS

Mr. CEDERBERG. On page 27–7 of the justifications is a request for 16 additional record office clerk-stenographers. You state:

Experience to date indicates that from three to five additional civilian employees are required to do the work on records which is now done by inmates.

Why can you not continue to have the work by inmates? Is there some prohibition of this?

Mr. ALEXANDER. The records on inmates contain reports of U.S. attorneys, investigative reports, field investigations by probation officers, and much confidential material.

Mr. CEDERBERG. It was confidential before when the inmates were doing it; was it not?

Mr. ALEXANDER. That is right. I understand this committee, several years ago, authorized additional clerk-stenographers for fiscal 1963. I understand in the institutions where inmates have been eliminated from the records offices, we have had no instances of material on individual cases getting into unauthorized hands. There is a tremendous amount of material inmates can use. When you have an inmate working with record, no matter how selective you are, the price is pretty high, for instance, on psychiatric reports. We want to maintain our responsibilities to the investigative agencies.

Mr. CEDERBERG. Will the granting of these additional positions do away with all work on records done by inmates?

Mr. ALEXANDER. In all our penitentiaries, in the larger reformatories, and in Springfield. It will not do away with them in some of the smaller correctional institutions, but we view that as the next important step forward in the institutions.

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

Mr. SLACK. Mr. Andrews?

Mr. ANDREWS. To follow through on this a little more, I can understand the problem when an inmate is working on records of inmates and is put back in the bullpen, the tendency to communicate these records is high. But more and more we talk about job opportunities and job training and rehabilitation. Would it not be well to examine whether you could have separate facilities for these inmates who work

on records so that when they do leave the prison at the end of their sentence they have had this on-the-job training, so to speak? If the objection is the communication back to the other inmates, would it not be justified to isolate these individuals?

Mr. ALEXANDER. I have two comments. First, this is a very small portion of our clerical work. In many of the shops throughout the institutions we use inmates in clerical capacities. We have typing courses and clerical courses in which we train people. In this one specific area of inmate records we think we are running serious risks. We think we have some very comprehensive programs in training people for clerical, secretarial, and even bookkeeping work.

Mr. ANDREWS. Thank you, Mr. Chairman, that is all.

Mr. SLACK. The committee will recess until 2 o'clock this afternoon.

AFTERNOON SESSION

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

BOARD OF PAROLE MAIL

Mr. Director, you are presently handling mail for the Board of Parole, are you not?

Mr. ALEXANDER. Yes; mail and files, sir.

Mr. SLACK. Is it your desire to discontinue this or to continue it?

Mr. ALEXANDER. Mr. Chairman, this question to which you refer just came to my attention the other day. The Chairman of the Parole Board and I have discussed it and we are prepared to handle the whole load of the work.

UNREASONABLY EXPENSIVE CONSTRUCTION

Mr. SLACK. Mr. Director, I have before me the report to the Congress from the Comptroller General of the United States dated June 15, 1964. This report says, and I quote:

> This report concerns the unreasonably expensive construction by the Bureau of Prisons, Department of Justice, of a one-family employee residence at the U.S. Penitentiary, Leavenworth, Kans. Our review disclosed that the Bureau incurred costs of about $100,000 to construct and furnish a residence for the warden at the penitentiary and to extend utilities and a road to the residence site. About $24,000 of this amount represents the estimated cost of inmate labor which was used for most of the construction work. The cost of this house is about three and a half times the maximum amount authorized to be spent for a comparable family housing unit of a commanding officer of a military post within the United States. We believe that such an investment in a one-family dwelling is unreasonably high and that there is a need for a limitation on the amount a penal institution may invest in the construction of one-family dwellings. Our review showed also that this house exceeded by about 50 percent the limitations prescribed by Bureau of the Budget Circular A–18 as to the size of one-family dwellings which may be constructed. We also noted that certain costs applicable to the project were not properly recorded and were not readily identifiable from the records.

What do you have to say about this, Mr. Director?

Mr. ALEXANDER. Mr. Chairman, when I came back as Director the first of September this report was made available to me very early. I have reviewed the report. I could see no action I could take. The residence has been completed and is being occupied. I am certain my principal concerns would be about future construction. We have

no staff housing, as you will notice, in our budget request for this year, nor do we in the foreseeable future plan any staff housing.

In retrospect I recall that it had not been customary to charge the cost of inmate labor in the construction of houses. This was a new factor I noticed in reading the report.

All I can say is that as of now we have no staff housing of any kind projected for the future. And, secondly, should we have at any time in the future, we would abide strictly by the Bureau of the Budget standards and by the standards of military housing which would be applicable to us.

That is about all I can say about it.

Mr. SLACK. Is there need for the warden to have a suitable dwelling for official entertainment?

Mr. ALEXANDER. The official entertainment which a warden does, Mr. Chairman, from time to time is for visiting officials from other States; there are occasions when a Governor comes by, or fellow wardens; members of the Federal Judiciary come by more and more frequently these days. There are occasions from time to time when he must do a certain amount of entertaining. The extent to which he entertains is somewhat dependent on the individual.

Mr. SLACK. Do you feel it is up to the Government to provide quarters for entertainment?

Mr. ALEXANDER. Not on any extensive scale.

Mr. SLACK. When I say "you" I am speaking of your Bureau.

Mr. ALEXANDER. The warden at Marion is now occupying a comfortable home 2,200 or 2,300 square feet. Before I returned here I was entertained there, with the president of the university. It was quite ample and satisfactory. I do not think wardens need excessively elaborate homes to entertain in. The fact remains they do need to provide a comfortable setting to entertain officials.

INADEQUATE RENTAL RATES

Mr. SLACK. Also, under date of April 30, I have before me a report from the Comptroller General of the United States which states, and I quote:

> Our review of rental charges for housing provided to employees of the Bureau of Prisons, Department of Justice, disclosed that rental rates have been inadequate as a result of deficiencies in procedures and practices for establishing the rates. The records show that for a number of years the Bureau of Prisons, in establishing rates for its housing, has not given adequate effect to the basic Government-wide standards as stated in Bureau of the Budget Circular A–45 of requiring equivalents for rents for comparable private housing.

Will you speak to that Mr. Director?

Mr. ALEXANDER. I am also familiar with this report. It was on my desk soon after I became Director.

I understand that in July there was some increase in rentals on our Government reservations. Subsequent to that, on October 31, a revised bulletin on this subject was issued by the Bureau of the Budget. I immediately sent instructions throughout the field that the provisions of that bulletin in determining rentals will be fully complied with throughout the Federal prison service. Moreover, there is a continuing question as to the fair appraisal base on which rentals are determined. We entered into negotiations with the Federal Housing Administration and they are now making an appraisal of all our houses

throughout the country. They will make a report to us and we will be guided by the Federal Housing Administration appraisals rather than the appraisals by local people in the community. When the appraisals have been completed our rentals will be adjusted in accordance with the Bureau of the Budget circular, and we anticipate this will be completed by June of this year.

Mr. SLACK. This report continues:

Our report also contains comments on the propriety of Bureau of Prison decisions designating some of those housing units as inadequate, thus enabling the Public Health Service officers living in the houses to continue receiving allowances aggregating $16,000 a year in excess of rentals paid by the Bureau of Prisons for such officers. This situation continued about a year and a half after the Congress had directed it be remedied.

Would you speak to that?

Mr. ALEXANDER. My understanding is this was taken care of about July 1963. I can report since I have been back it has been taken care of and the full allowance for housing allowed to Public Health Service commissioned officers is deducted for rentals.

Mr. SLACK. Why did you have to do this a year and a half afterward?

Mr. ALEXANDER. I could not begin doing it until this past September.

BUILDINGS AND FACILITIES

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	BUREAU OF PRISONS			
	Personnel compensation:			
11.1	Permanent positions	141	83	84
11.3	Positions other than permanent	172	235	236
11.5	Other personnel compensation	1		
	Total personnel compensation	314	318	320
12.0	Personnel benefits	23	24	25
32.0	Lands and structures	2,608	25,596	4,772
	Total costs, funded	2,945	25,938	5,117
94.0	Change in selected resources	315	−111	−42
	Total obligations, Bureau of Prisons	3,260	25,827	5,075
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
32.0	Lands and structures	7		
99.0	Total obligations	3,267	25,827	5,075

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	52	52	52
Full-time equivalent of other positions	22	30	30
Average number of all employees	40	40	40
Average GS grade	8.3	8.3	8.3
Average GS salary	$7,928	$7,537	$7,666
Average salary of ungraded positions	$7,787	$7,825	$7,863

Program and financing

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1966 financing			
	Total estimate	To June 30, 1963	1964 actual	1965 estimate	1966 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required, 1966	Appropriation required to complete
Program by activities:									
1. Construction:									
(a) Maximum security institution, Illinois	10,000	9,835	155	10					
(b) Psychiatric hospital, North Carolina	15,810	668	249	14,500	343	393	50		
(c) National Training School, W. Va	8,500	195	655	7,000	550	650	100		
(d) Powerplant, Lewisburg, Pa	2,050	2,025	8	17					
(e) Powerplant, Chillicothe, Ohio	1,325	1,089	93	143					
(f) Inmate housing, Petersburg, Va	325	188	45	92					
(g) Women's unit, Terminal Island, Calif	124	48	76						
(h) Chapel, McNeil Island, Wash	140	29	82	29					
(i) Chapel, El Reno, Okla	142	16	93	33					
(j) Additional facilities, Texarkana, Tex	350		43	180	127	127			
(k) Activities building, Sandstone, Minn	350	20	90	190	50	50			
(l) Utilities rehabilitation	1,009			900	109	109			
(m) Powerplant replacement	1,683			1,515	118	168	50		
(n) Water treatment plant, Chillicothe, Ohio	300			300					
(o) Advance planning, New York	5,200				300			300	4,900
(p) Renewal program, Leavenworth, Kans	625				575		50	625	
(q) Sewage plant, McNeil Island, Wash	350				315		35	350	
(r) Powerplant equipment, Milan, Mich	500				270	490	230	10	
(s) Chapel, Englewood, Colo	185				90	185	95		
(t) Redevelopment program, Allenwood, Pa	240				240			240	
(u) Inmate housing unit, Petersburg, Va	185				95	185	90		
(v) Electric system improvement, La Tuna, Tex	150				135		15	150	
(w) Surgical facilities, Springfield, Mo	250				200		50	250	
(x) Hospital renovation, McNeil Island, Wash	185				100		85	185	
Repairs and improvements	4,539	637	1,373	1,029	1,500			1,500	
Total program costs	54,517	14,750	2,962	25,938	5,117	2,357	850	3,610	4,900
Unfunded adjustment to program costs: Property transferred in without charge			−10						
Total program costs, funded			2,952	25,938	5,117				

Change in selected resources[1]	315	−111	−42
10 Total obligations	3,267	25,827	5,075
Financing:			
21 Unobligated balance available, start of year	−1,957	−8,215	−1,590
24 Unobligated balance available, end of year	8,215	1,590	125
40 New obligational authority (appropriation)	9,525	19,202	3,610
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	3,267	25,827	5,075
72 Obligated balance, start of year	1,559	1,702	19,009
74 Obligated balance, end of year	−1,702	−19,009	−9,364
90 Expenditures	3,124	8,520	14,720

[1] Selected resources as of June 30 are as follows:

	1963	1964 adjustments	1964	1965	1966
Stores	16	----	26	26	26
Unpaid undelivered orders	534	13	852	741	699
Total selected resources	550	13	878	767	725

Mr. SLACK. The next item is entitled "Buildings and facilities" and is to be found at page 122 of the committee print and under tab 28 of the justifications.

We shall at this point in the record insert pages 28–1 through 28–13.

(The pages follow:)

Buildings and facilities, Federal prison system

[In thousands]

Appropriation, 1965	$19,202
Estimate, 1966	3,610
Decrease, 1966 compared with 1965	−15,592

Buildings and facilities

New construction and replacement:	
1. Advance planning, New York detention headquarters	$300,000
2. Renewal program, Leavenworth	625,000
3. Sewage plant, McNeil Island	350,000
4. Powerplant equipment, Milan	500,000
5. Chapel, Englewood	185,000
6. Redevelopment program, Allenwood	240,000
7. Inmate housing unit, Petersburg	185,000
8. Electrical system improvement, La Tuna	150,000
9. Surgical facilities, Springfield	250,000
10. Hospital renovation, McNeil Island	185,000
Subtotal	2,970,000
Other:	
11. Repairs and improvements (various institutions)	1,500,000
Subtotal	4,470,000
Funds available from previous years	−860,000
Appropriation requested for 1966	3,610,000

Advance planning—Replacement of New York detention headquarters ($300,000)

Funds are requested to plan a replacement for the Federal dentention headquarters in New York City.

The present facility serves the highly populated area as a Federal jail. The structure was originally a waterfront garage located in Manhattan and was converted in 1928 into a jail. Its location is undesirable. The critical problems, however, are condition of the physical plant, overcrowding because of increased use by the courts, and lack of facilities for separating witnesses from prisoners.

The Senate Subcommittee on National Penitentiaries points out: "The Federal detention headquarters in New York City is grossly inadequate for its purpose. The subcommittee requests that the Attorney General develop a proposal for the early replacement of this facility. It also requests that the design of the new facility reflect the need for segregating the sentenced, unsentenced, and administrative detainees now held in common quarters at the New York headquarters" (Report No. 928, Senate Committee on the Judiciary, Feb. 28, 1964).

It is proposed to construct a replacement institution in New York City where it will be accessible to the courts, hopefully on a site which is already owned by the Federal Government. The new detention center will be designed to accommodate about 400 prisoners and detainees at an estimated cost of $5,400,000, excluding cost of site. If approved, the present location can be sold eventually without undue difficulty.

The request for $300,000 is to select a site and to prepare preliminary designs and architectural drawings.

Renewal program, Leavenworth ($625,000)

The fund request contemplates a comprehensive plan to modernize certain aging facilities at Leavenworth, Kans.

The penitentiary was first occupied in 1902. Since that time, of course, many program changes and expansions have taken place. The institutional personnel

are now becoming increasingly concerned over structural and mechanical weaknesses due to obsolescence and general deterioration from age.

In order to more accurately evaluate the situation, the engineering firm of Black & Veatch, in Kansas City, was retained to conduct a survey. The report makes it apparent that a rehabilitation program totaling $3½ million is necessary if the institution is to function in its present capacity. Deficiencies include heating, steam, and electric systems; water supply and sewage disposal; refrigeration; lighting fixtures; and some structures, including the wall.

The financial plan for 1966 includes the first phase in accordance with Black & Veatch's priority recommendation. Additional funds will be requested in two more phases, appropriately placed in subsequent years as workload permits.

Cost estimate is surveyed as follows:

Black & Veatch's estimate	$2,809,000
2-year timelag, 7 percent	196,630
Fees, 10 percent	280,900
Contingencies, 5 percent	140,450
Total	3,426,980
1st phase requested in 1966	625,000

Sewage plant, McNeil Island ($350,000)

The request is to construct a sewage treatment and disposal plant at McNeil Island, Wash. The penitentiary is located on an island in Puget Sound. Since its occupancy in 1867 as a territorial jail and in keeping with practices current in seacoast areas at the time, the institution has emptied untreated or partially treated sewage into the sound. The procedure is contrary to current sewage disposal practices and the institution has been directed by the U.S. Public Health Service to discontinue the practice as soon as possible. Present antipollution campaigns being conducted by the Federal Government emphasize the importance of proper measures related to emptying sewage into public waters.

The institution has obtained preliminary cost estimates in consultation with the Public Health Service and a local engineering firm. An adequate sewage disposal plant can be constructed for $350,000. Funds are requested according to the following:

1. Main institution:	
(*a*) Separate storm and sanitary drainage	$19,350
(*b*) Activated sludge plant, bar screens, flow measurement, and sludge handling	125,000
2. Farm:	
(*a*) Piggery pond	8,000
(*b*) Waste stabilization, all wastes	30,000
3. Housing area: (*a*) Waste stabilization pond	8,000
4. Irrigation facilities:	
(*a*) Main institution	40,000
(*b*) Farm ponds	7,000
(*c*) Housing area pond	2,650
5. Outfalls and chlorinators (3)	60,000
Subtotal	300,000
Engineering and field supervision, 10 percent	30,000
Contingency	20,000
Total	350,000

Powerplant equipment, Milan ($500,000)

The financial plan for fiscal year 1966 proposes replacement of powerplant equipment at Milan, Mich. The institution was opened in 1933 as a jail for the Detroit area. Most of the powerplant equipment dates back to original construction.

In addition to obsolescence and age, the plant lacks sufficient capacity to supply modern needs of the institution. Operating personnel have expressed concerned as to possible plant breakdown if equipment replacement cannot be made. The plant meets life expectancy criteria of 20 to 25 years used by engineering experts. The project is included in the Bureau's long-range construction program revised in 1964.

Fund request is based on the following estimate:

Boilers and foundations	$225,000
Switchgear	40,000
Water softeners and heaters	50,000
Tanks, pumps, and compressors	34,000
Refrigeration	70,000
Piping	30,000
Subtotal	449,000
Engineering, 8 percent	35,920
Contingencies	15,000
Total	499,920

Chapel, Englewood ($185,000)

The request is to continue the program of chapel construction by providing a new facility at Englewood, Colo. At the present time, religious instruction is conducted in the auditorium amid a somewhat theatrical atmosphere. A separate chapel which is used solely for religious purposes will do a great deal to enhance the total treatment program. Chaplains report that it has significant value in attracting and holding the interest of the inmates. Once the inmate begins to participate in the mass or services, it is much easier for the chaplain to help the individual as a religious counselor. Space will also be provided for an instruction room, chaplains' offices, and necessary storage facilities. The establishment of these facilities should also make it possible to improve other inmate programs.

The estimate is based on construction of chapels in prior years. Work will be performed by contract since the inmate age level precludes their utilization in the project.

Redevelopment program, Allenwood ($240,000)

Funds are requested to continue construction of permanent installations at Allenwood, Pa. The Federal prison camp was established in 1951 for a classified purpose. Occupation of the land, buildings, and other appurtenances was by revocable permit from the Army Corps of Engineers. The land, which is about 15 miles from the Lewisburg Penitentiary, had been utilized previously by the institution as a farm subsidiary. During World War II it was a military ordnance subdepot.

The Bureau recently obtained title to the camp with about 4,300 acres of land. The inmate population in fiscal year 1964 averaged 258 minimum custody offenders. Farming operations, consisting mostly of beef cattle herds, have been expanded. Federal Prison Industries established a small factory there which manufactures attractive executive-type furniture.

The original buildings are temporary wood construction, extreme fire hazards, and structurally weak. Roads are poor and utilities have deteriorated. A long-range plan has been developed to replace the inadequate structures with permanent buildings, improve utilities distribution, and install exterior lighting.

Two permanent dormitories have been erected with funds allocated by the Area Redevelopment Agency. The present request is to continue the rehabilitation.

Majority of the work will be accomplished with inmate labor. Items included are:

Grading, drainage, roads, walks, and exterior lighting	$102,000
Utilities improvements (water, sewage, and electricity)	117,000
Engineering fees	21,000
Total	240,000

Inmate housing unit, Petersburg ($185,000)

Funds are requested to construct a replacement inmate housing unit at Petersburg, Va.

The Federal Reformatory began as a temporary prison camp in 1930. Over the years it has become a complex of permanent and semipermanent buildings and has served as a prison camp, a medium security institution, a reformatory, and a youth center.

A master plan to modernize the institution has been developed and funds have been provided in previous appropriations for a new food service building, which

has been completed, and an inmate housing unit which is scheduled for completion in February of 1965. The 1966 plan contemplates continuing modernization with an additional inmate housing unit to replace one of the temporary barracks-type buildings at a cost of $185,000. Architectural plans have been completed and are on file in the Construction Division. Work on this project can begin immediately when funds are available.

Electrical system improvement, La Tuna ($150,000)

Funds are requested to improve the primary electrical system at La Tuna, Tex.

The institution was opened in 1932 as the El Paso Jail. The original construction was extremely economical because detention of border immigration was the original purpose of the institution.

The changing nature of operations has resulted in additional equipment and expanded facilities, making the electrical system inadequate. The engineering firm of Randal & True of El Paso has been retained to conduct a preliminary survey of the overall electrical facilities. Their report indicates an electrical demand over capacity with no room for expansion and with a potential for system failure and fire. The situation is sufficiently serious that Randal & True Co. has been commissioned to prepare working drawings for the project to reduce delay in getting started when funds are available. The cost estimate is based on the report.

Surgical facilities, Springfield ($250,000)

The fund request is to enlarge and modernize surgical facilities in the Medical Center at Springfield, Mo.

The present medical-surgical facilities are overtaxed. They do not conform to present Public Health Service standards and there exists a possibility of losing hospital accreditation.

The hospital was activated in 1933. Original design contemplated chiefly the furnishing of infirmary-type services. Over the years the amount of surgery has increased greatly due to the following combination of factors: (1) Changes in policy of moving patients in for surgery and back to referring institutions; (2) improved means of transportation, such as roads and air travel; (3) increase in surgical staff to cope with additional workload; and (4) greater availability of consultants in respective fields. During the past few years emphasis has been on expanding psychiatric services so that improvement of medical and surgical facilities has not kept pace with needs.

A complete program has been prepared by Alston G. Gutterson, Consulting Architect, Washington, D.C. The plan proposes that a new surgical suite be accomplished by remodeling and adding on the present building. It will include operating room and adjuncts, as well as offices and conference rooms for the staff.

Cost estimate is based on: Gross area 9,000 square feet, at $27.73, $249,570.

Hospital renovation, McNeil Island ($185,000)

The fund request is to modernize the hospital unit in the penitentiary at McNeil Island, Wash.

The facility was inspected recently by Surgeon General Terry of the U.S. Public Health Service. He expressed strong dissatisfaction with the present building.

The primary structure was built in 1929 and, with the exception of routine minor repairs, has not been completely renovated. As a result, the building needs a major overhauling.

It is proposed to replace plumbing fixtures, lighting, flooring and windows; install an outside fire escape; and in general revamp the interior. The cost estimate totals $185,400 and includes $25,000 for some specialized capital equipment.

Repairs and improvements ($1,500,000)

The fund request is to accomplish nonrecurring major plant repairs and improvements to buildings and facilities of various institutions. Minor repairs are included in the "Salaries and expenses" appropriation.

In fiscal year 1964 the R. & I. appropriation was $1,500,000. In the current year, however, the amount available is $1,100,000.

With recognition and assistance from the Congress, considerable progress has been made in the past few years on R. & I. projects. It is, however, a difficult process to keep abreast of current needs and also to make significant inroads on backlogs accumulated for many years. The magnitude of the situation is reflected in table A, "Backlog of repairs and improvements" and table B, "Major utility rehabilitation projects" on the following pages.

There is a continuing and urgent need for the funds. The Bureau's staff is prepared to carry on the work if funds are made available. A very high percentage of the institutional work will be accomplished with inmate labor. Some of the geographic areas have been categorized as economically depressed by the Federal Government.

Mr. SLACK. The request is for $3,610,000, a decrease of $15,592,000 below the appropriation to date for the current fiscal year.

PRIORITY OF ITEMS REQUESTED

Referring to page 28–2 of the justifications, what is the priority of these items?

Mr. ALEXANDER. These 10 items were extracted after analysis of some 100 or more items submitted to us. This is a distillation of a tremendous number, and any attempt to determine any priority in this would be extremely difficult for me.

Perhaps I could say we could get along without a chapel at Englewood. I would hate to say that. This is an institution where we have 400 boys and no chapel. We could continue to operate in the auditorium.

The hospital renovation at McNeil Island might be deferred, yet it is a very important item. The Surgeon General of the Public Health Service visited there and was quite critical of it. We could defer it, I suppose, another year but we would be very reluctant to do it.

To attempt to determine priorities is very difficult when we have had to eliminate so many things before we reached this final stage of 10 items.

Mr. SLACK. The priorities are not necessarily, then, in the order in which you list them?

Mr. ALEXANDER. No, sir. The factors used in determining priority are, for example, the surgical facilities at Springfield, an item of $250,000. A Joint Committee on Accreditations visited the Medical Center at Springfield and we were put on 1-year probation because of the inadequacy of our surgical facilities. I do not know how you evaluate this against deteriorating powerplants which must be maintained, or advance planning for the replacement of this old garage jail in New York.

Mr. SLACK. In item 1 you have "Advance planning, New York Detention Headquarters," $300,000. What is the total cost of this headquarters?

Mr. ALEXANDER. At this stage it is estimated at $5.4 million.

RENEWAL PROGRAM, LEAVENWORTH

Mr. SLACK. Refering to page 28–4, "Renewal program, Leavenworth," what do you intend to do with this $625,000?

Mr. ALEXANDER. This is the work which we can accomplish in 1 year to begin the renewal of the old facilities at Leavenworth.

In order to evaluate this we used the same approach we have used at several other institutions, notably a few years ago at Alcatraz, in retaining the services of a highly competent firm of engineers to evaluate the institution, its needs, and prepare an estimate for us. We prefer that to depending on our own judgment and that of our engineers, who are competent, but we retained the services of the firm of Black

& Veatch of Kansas City. As you can see, they have estimated the renewal of the Leavenworth plant at $3,426,980. This $625,000 requested this year is that which we could accomplish in the first year of plant rehabilitation.

Mr. SLACK. If we start this, does the rest of the work have to be completed or is this a separate entity?

Mr. ALEXANDER. Yes, it should be completed. It could be that for a year it might be delayed, but once we begin this renewal and modernization of electric systems, water supply and sewage disposal, lighting system, and all this sort of thing, there has to be a continuation of it.

Mr. SLACK. Mr. Director, you still have not told us the breakdown of the $625,000. How do you arrive at that figure?

Mr. ALEXANDER. We can supply that from our engineering reports, if we may, Mr. Chairman.

Mr. SLACK. Of course we need to look at it today and it should be in the justifications.

Mr. ZACHEM. Mr. Chairman, the Black & Veatch report is such a bulky one and it contains four general priorities. The $625,000 are the A and some B priorities but they were too voluminous to bring to this hearing.

Mr. SLACK. If they are too voluminous to bring them over here, I do not see how we could very well put them in the record.

Mr. ZACHEM. We can summarize the A and B priorities.

Mr. SLACK. Supply them to the committee and we will make the determination about putting them in the record.

Mr. ZACHEM. All right, sir, we will be glad to.

Mr. SLACK. How does this conform with the Bureau of the Budget "full-funding" directive?

Mr. ZACHEM. Well, this has been approved by the Bureau of the Budget.

Mr. SLACK. How does it conform with the directive?

Mr. ZACHEM. I do not know that I understand the question.

Mr. SLACK. Then I will repeat the question: How does this conform with the Bureau of the Budget "full-funding" directive? Do you not know of this directive?

Mr. ZACHEM. As I understand, the "full-funding" directive is that agencies should submit requests based on the full amount of their needs. Am I correct, sir?

Mr. SLACK. Yes.

Mr. ZACHEM. This is a "phase" situation in that it depends on our workload the amount of work that we can accomplish in a given time.

Mr. SLACK. That is precisely why we wanted a breakdown of the $625,000.

Mr. ZACHEM. We will be very happy to furnish that, Mr. Chairman.

Mr. SLACK. We should have it before us here today.

Mr. ZACHEM. I am very sorry.

Mr. SLACK. Mr. Cederberg?

REQUEST BEFORE BUREAU OF BUDGET

Mr. CEDERBERG. How much did you ask the Bureau of the Budget for?

Mr. ALEXANDER. The total item?

Mr. CEDERBERG. Yes; the total item.

Mr. ALEXANDER. We requested of the Bureau of the Budget $5,195,000, which was reduced by $1,585,000, accounting for our appropriation request of $3,610,000. We were reduced $1,585,000.

Mr. CEDERBERG. At the Bureau level?

Mr. ALEXANDER. At the Bureau of the Budget level.

Mr. CEDERBERG. How much did you originally request for Leavenworth?

Mr. ALEXANDER. $750,000.

Mr. CEDERBERG. And they cut you to $625,000?

Mr. ALEXANDER. That is correct.

Mr. CEDERBERG. Can you get your first phase done for $625,000?

Mr. ALEXANDER. Yes; we are assured by our engineers we can.

Mr. CEDERBERG. Why did you request $750,000?

Mr. ALEXANDER. We thought we could get that much accomplished too.

Mr. CEDERBERG. That is all I have.

SUPPORT OF U.S. PRISONERS

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
11.4	Personnel compensation: Special personal service payments	178	185	191
12.0	Personnel benefits	3	3	3
25.1	Other services	4,044	4,194	4,338
26.0	Supplies and materials	3	3	3
41.0	Grants, subsidies, and contributions	13	15	15
99.0	Total obligations	4,241	4,400	4,550

Program and financing

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Program by activities:			
10	Care of U.S. prisoners in non-Federal institutions (costs—obligations)	4,241	4,400	4,550
	Financing:			
25	Unobligated balance lapsing	59		
40	New obligational authority (appropriation)	4,300	4,400	4,550
	Relation of obligations to expenditures:			
71	Total obligations (affecting expenditures)	4,241	4,400	4,550
72	Obligated balance, start of year	821	813	833
74	Obligated balance, end of year	−813	−833	−883
77	Adjustments in expired accounts	21		
90	Expenditures	4,270	4,380	4,500

Mr. SLACK. The next item for consideration is entitled "Support of U.S. prisoners" and is to be found at page 125 of the committee print and under tab 29 of the justification book.

We shall at this point in the record insert pages 29–1 and 29–2.

(The pages follow:)

Support of U.S. prisoners, Federal Prison System

[In thousands]

Appropriation, 1965	$4,400
Estimate, 1966	4,550
Increase, 1966 compared with 1965	150

SUPPORT OF U.S. PRISONERS

An appropriation of $4,550,000 is requested to cover the costs of confining prisoners in State and local institutions.

There are presently 777 contracts or letters of authority in effect with non-Federal institutions. This includes 67 contracts that were executed at increased rates during fiscal year 1964.

Obligations for fiscal year 1964 were $4,241,000, an increase of 3.8 percent over fiscal year 1963 obligations of $4,086,000. At this rate of increase, obligations for fiscal year 1965 are estimated at $4,402,000 and fiscal year 1966 at $4,569,000.

The inmate man-days for fiscal year 1964 were 1,202,453. A steadily increasing average daily cost raised the rate to $3.53 in 1964, as compared with the 1963 average daily cost of $3.39. The fiscal year 1966 estimate is based on 1,210,000 man-days at an average cost of $3.78.

This appropriation request includes estimated reimbursement to St. Elizabeths Hospital for the care and treatment of U.S. prisoner patients at per diem rates approved by the Bureau of the Budget as authorized by law.

INCREASE REQUESTED

Mr. SLACK. The request is in the amount $4,550,000, an increase of $150,000.

What were the obligations for the first 6 months of 1965?

Mr. ZACHEM. The figure I have goes through January 31, Mr. Chairman. I do not have the 6-month figure.

Mr. SLACK. You do not have the figure for the first 6 months of 1965?

Mr. ALEXANDER. The figure we have is for the first 7 months.

Mr. SLACK. What is that figure?

Mr. ZACHEM. $2,509,613.

Mr. SLACK. How does that compare with the first 7 months of 1964?

Mr. ZACHEM. That is an increase of 6.76 percent.

Mr. SLACK. How much was it for the first 7 months of 1964?

Mr. ZACHEM. $2,350,756.

PROPOSED LANGUAGE CHANGE EXPLANATION

Mr. SLACK. Would you explain the proposed language change on page 125 of the committee print?

Mr. ALEXANDER. Yes, sir. Up until this time we have not reimbursed St. Elizabeths Hospital for Federal prisoners housed there. However, we have now been directed by the Bureau of the Budget to reimburse St. Elizabeths Hospital for Federal prisoners housed there, and at their direction have included this recommended language change in order to be certain the payment will be authorized.

Mr. SLACK. What are the per diem rates?

Mr. ZACHEM. It is estimated at $10 per patient day.

FEDERAL PRISON INDUSTRIES, INC.

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	GENERAL ADMINISTRATION			
	Personnel compensation:			
11.1	Permanent positions	416	512	521
11.3	Positions other than permanent	3	3	3
11.5	Other personnel compensation		5	6
	Total personnel compensation	419	520	530
12.0	Personnel benefits	31	42	43
21.0	Travel and transportation of persons	36	39	39
22.0	Transportation of things	2	5	5
23.0	Rent, communications, and utilities	33	34	34
24.0	Printing and reproduction	3	2	2
25.1	Other services	5	2	3
25.2	Services of other agencies	25	24	25
26.0	Supplies and materials	4	12	14
93.0	Administrative expenses included in schedule for fund as a whole	−558	−680	−695
99.0	Total accrued expenses—costs			
	VOCATIONAL TRAINING			
	Personnel compensation:			
11.1	Permanent positions	985	1,130	1,220
11.3	Positions other than permanent	67	62	62
11.5	Other personnel compensation	25	24	24
	Total personnel compensation	1,077	1,216	1,306
12.0	Personnel benefits	75	85	90
21.0	Travel and transportation of persons	35	30	30
22.0	Transportation of things	2	3	3
23.0	Rent, communications, and utilities	13	14	15
24.0	Printing and reproduction	44	41	45
25.1	Other services	7	6	9
26.0	Supplies and materials	81	115	122
93.0	Vocational expense included in schedule for fund as a whole	−1,334	−1,510	−1,620
99.0	Total accrued expenses—costs			

Personnel summary

	1964 actual	1965 estimate	1966 estimate
GENERAL ADMINISTRATION			
Total number of permanent positions	58	58	58
Average number of all employees	51	56	58
Average GS grade	9.3	9.3	9.3
Average GS salary	$8,301	$8,773	$8,865
VOCATIONAL TRAINING			
Total number of permanent positions	139	139	144
Full time equivalent of other positions	10	10	10
Average number of all employees	149	149	154
Average GS grade	9.3	9.4	9.3
Average GS salary	$8,301	$8,773	$8,865

Program and financing

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate
Program by activities:			
1. General administration (excludes depreciation)	558	680	695
2. Vocational training (excludes depreciation)	1,334	1,510	1,620
Total accrued expenses—Cost	1,892	2,190	2,315
Financing:			
Unobligated balance lapsing	208		
Limitation	2,100	2,160	2,315
Proposed increase in limitation due to civilian pay increases		30	

Mr. SLACK. The next item is entitled "Federal Prison Industries, Inc." This is to be found at page 127 of the committee print and under tab 30 of the justifications.

We shall at this point in the record insert pages 30–1 through 30–10.

(The pages follow:)

Summary analysis of estimates—Administrative and vocational expense fund

[In thousands of dollars]

	Administrative expense	Vocational expense	Total
Regular limitation, 1965	680	1,510	2,190
Estimate for 1966	695	1,620	2,315
Increase over 1965 limitation	15	110	125

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. 4211(d)). We have operated a clothing factory at the U.S. Disciplinary Barracks at Fort Leavenworth, Kans., since 1956.

In 1966 the corporation expects to operate 56 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 1966 are estimated at $38,500,000 with estimated net earnings of $4,700,000.

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, $55 million during the period January 1, 1935, to June 30, 1964. It is estimated that $62 million will have been paid in dividends by June 30, 1966.

ADMINISTRATIVE EXPENSE FUND

Detail justification

The central office, located in the District of Columbia, is responsible for planning, production, procurement, and personnel for all industrial activities.

It is also responsible for research work in industrial lines and product design in connection with the installation of new industries, and the operation and conversion of existing industries. The central office prepares consolidated financial statements, conducts field audits and special examinations, directs procurement of the raw materials used in the factories, supervises and audits purchase and sales contracts and specifications, prepares and keeps up to date the schedule of products manufactured, and determines selling prices. It contacts other Government agencies with reference to the use of its products and all orders from other Government agencies for manufactured products are received and controlled by the central office.

The administrative expense limitation for 1965 was approved for $680,000. The estimate for 1966 is $695,000, an increase of $15,000 composed of $11,000 for the maintenance of the 1965 level of employment and $4,000 increases in other services and supplies and materials.

The $695,000 requested for 1966 is only 1.805 percent of estimated sales of $38,500,000.

Itemization of limitations request—Administrative expense

[In thousands]

By accounts	1965 estimate	1966 estimate	Increase (+) or decrease (−)
11 Personnel compensation	$520	$530	+$10
12 Personnel benefits	42	43	+1
21 Travel and transportation of persons	39	39	0
22 Transportation of things	5	5	0
23 Rent, communications, and utilities	34	34	0
24 Printing and reproduction	2	2	0
25 Other services	26	28	+2
26 Supplies and materials	12	14	+2
Total administrative expense	680	695	+15

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 $1,510,000 for 1965. The estimate for 1966 is $1,620,000, an increase of $110,000 composed of $42,000 for five positions—explained below, personnel benefits required for five new positions $3,000, to maintain the 1965 level of employment $48,000, for increase in personnel benefits, utilities, printing and other services $10,000, and for increase in supplies and materials $7,000.

There follows justification for the five new positions for $42,000, plus applicable personnel benefits of $3,000 mentioned above:

1. Employment placement specialist, GS–11, proposed for an additional metropolitan area, either in the Midwest or the Far West. Office space will be secured in a Federal building, preferably adjacent to the office of the U.S. probation officer. Referrals will be accepted from all Federal institutions and from U.S. probation officers for parolees and mandatory releases. Emphasis will be given to placement in occupations similar to those in which the persons to be placed received training in the institutions.

2. Two related trades instructors, one each at Marion and McNeil Island. 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 trade instructor positions for the provision of formalized training in specific trade areas in preparation for release employment, one each at Englewood (auto body and fender repair), Petersburg (food server). 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.

Vocational training expense

[In thousands]

By accounts	1965 estimate	1966 estimate	Increase (+) or decrease (−)
11 Personnel compensation	$1,216	$1,306	+$90
12 Personnel benefits	85	90	+5
21 Travel and transportation of persons	30	30	0
22 Transportation of things	3	3	0
23 Rent, communications, and utilities	14	15	+1
24 Printing and reproduction	41	45	+4
25 Other services	6	9	+3
26 Supplies and materials	115	122	+7
Total vocational training expense	1,510	1,620	+110

PERSONAL SERVICES

The estimated average employment of permanent personnel for 1966 is distributed as follows:

Locations	*Number of Positions*	*Locations*	*Number of Positions*
Washington, D.C.	5	Milan, Mich	2
Alderson, W. Va	5	Montgomery, Ala	1
Ashland, Ky	6	National Training School	6
Chillicothe, Ohio	13	Petersburg, Va	8
Chillicothe, Ohio	13	Sandstone, Minn	2
Danbury, Conn	5	Seagoville, Tex	3
Eglin, Fla	1	Sewart, Tenn	1
El Reno, Okla	12	Springfield, Mo	5
Englewood, Colo	9	Tallahassee, Fla	2
Florence, Ariz	1	Terminal Island, Calif	4
La Tuna, Tex	2	Terre Haute, Ind	5
Leavenworth, Kans	5	Texarkana, Tex	2
Lewisburg, Pa	7	Tucson, Ariz	1
Lompoc, Calif	10		
McNeil Island, Wash	8	Total	144
Marion, Ill	4		

The total average employment of 154 for 1966 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 the Corporation Control Act (31 U.S.C. 841) without any exceptions that have not been resolved. The audit for fiscal year 1963 (H. Doc. No. 231, 88th 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 Industries, Inc., for the fiscal year ended June 30, 1963, 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 Govern-

ment agencies at prices not to exceed current market prices. During fiscal year 1963, net sales of the 54 manufacturing, processing, and servicing units operated by the corporation totaled about $34 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 1963, 12,044 inmates were enrolled in 534 groups for training in agriculture, industry, trades, institution maintenance, and other special subjects and 4,406 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.

Mr. SLACK. The request is for an authorization of $695,000 for administrative expense and $1,620,000 for vocational expense.

ADDITIONAL POSITIONS REQUESTED

How many additional positions are you asking for, Mr. Director?

Mr. ALEXANDER. Five additional positions, all of which are in the field service. We are asking for one employment placement specialist, two related trades instructors, and two trade instructor positions.

ADDITIONAL CARS REQUESTED

Mr. SLACK. Why do you need six additional cars as set forth at page 127 of the committee print?

Mr. ALEXANDER. Mr. Chairman, I am not certain whether those are additional cars or replacements.

Mr. SLACK. It does not state in the language that it is for replacements, so we assume it is for additional cars.

Mr. ALEXANDER. Well, during this year we will, first of all, establish new industries at Marion, where we have had none before, and there will be need for additional cars there.

Mr. SLACK. How many additional cars would you need at Marion?

Mr. ALEXANDER. I would estimate two cars at Marion for the Industries operation.

As we employ another employment place specialist, he will be required to have a car to work in the nearby area in contacting industries for inmates being released from institutions.

I am frankly not certain about the additional cars at the moment but, suffice it to say, as we are emphasizing increasingly the importance of our employment placement specialists to maintain contacts with industry in the area, we need more transportation. These are for the Federal Prison Industries, Inc. Frequently they use regular Bureau cars where they are available.

HIRE OF PASSENGER MOTOR VEHICLES

Mr. SLACK. Also on page 127 of the committee print, we would like for you to tell us why you need the hire of passenger motor vehicles?

Mr. ALEXANDER. Well, frequently a member of our Industries will

be making contact with industries in outlying areas from a city. For instance, we are working on a new plastic industry for the Terre Haute Institution. If he happens to be in an area where there are no GSA cars available and there is no institution nearby, he may need to rent a passenger vehicle.

Mr. SLACK. Have you been doing this for the past 20 years?

Mr. ALEXANDER. I do not know, other than I assume they have not been doing it. I do not know what the answer is.

Mr. SLACK. This seems to be quite an added expense.

Mr. ALEXANDER. It is possible, except I can assure you Federal Prison Industries and we very, very rarely rent cars, and I would agree with you if we were to use them indiscriminately.

Mr. SLACK. How much are you including in the budget for this purpose?

Mr. ALEXANDER. There is nothing included in the Federal Prison Industries budget for that.

Mr. SLACK. It has to be for the purchase of these six motor vehicles?

Mr. ALEXANDER. Unfortunately, Mr. Zachem does not prepare the Industries budget.

Mr. SLACK. Mr. Joelson?

SALES

Mr. JOELSON. On page 30–2 I assume it is a typographical error. It states: "Sales for the fiscal year 1966 are estimated at $38,500 with estimated net earnings of $4,700,000."

Mr. ALEXANDER. No, Mr. Congressman, I do not think that is a misprint.

Mr. JOELSON. Your total sales were only $38,500?

Mr. ALEXANDER. No, $38,500,000. This is a very gross mistake.

Mr. JOELSON. How is it determined how much a particular Government agency will be charged for an item?

Mr. ALEXANDER. This is accomplished under the act of incorporation under which the sales of Federal Prison Industries, Inc., are restricted to other Government agencies. These are at times negotiated. For example, on a major order for the Defense Department, under which we will accept or be given 3 or 5 percent of a major order, then our prices are negotiated in relationship to those of industry generally, and they do not exceed and ordinarily will be somewhat less.

Mr. JOELSON. I take it you need a staff to negotiate these prices and also an accounting staff to handle these items?

Mr. ALEXANDER. Yes. We have a central office staff of Federal Prison Industries which handles negotiations for sales. The Defense Department and other agencies maintain inspectors to assure quality right in the institutions.

Mr. JOELSON. Since you are dealing with the Government anyway, it seems to me it is a waste of money to have a team of people negotiating prices and then to have a staff of accountants to handle these millions of dollars and to make refunds to the Treasury. Why could you not just manufacture it for a Government agency without all this negotiating and bookkeeping?

Mr. ALEXANDER. You mean without a corporation?

Mr. JOELSON. Why could not X agency say, "We need so many uniforms" and you manufacture them? Why do you have to negotiate

a price and then have millions of dollars of bookkeeping transactions requiring a sizable staff, I suppose. To me it is hocus-pocus because it is the Government dealing with itself.

Mr. ALEXANDER. Very little of the staff time is spent in negotiating prices.

Mr. JOELSON. It must be sizable accounting when you are handling $38 million sales?

Mr. ALEXANDER. There is a tremendous amount of accounting for a $40 million a year corporation purchasing raw supplies, for personnel, for transportation of products, and so forth. Many of the products are strictly corporation items on which the prices are published in catalogs which are distributed throughout the Government agencies. We get many orders for products that the prices are not negotiated. But how could we maintain an accounting of this tremendous operation of 57 industries without staff?—and the General Accounting Office keeps an inspector in our office at least 6 months of the year.

Mr. JOELSON. I do not want to belabor the point since you are operating under a statute, but inasmuch as you are dealing with the Government, in fact you are dealing with yourself, and I do not see why you have to go through all these negotiations on prices and so forth when you sell only to the Government. You do not sell to private concerns; do you?

Mr. ALEXANDER. No; all sales are to Government agencies only.

Mr. CEDERBERG. Off the record.

(Discussion off the record.)

Mr. JOELSON. No further questions, Mr. Chairman.

FEDERAL BUREAU OF INVESTIGATION

THURSDAY, MARCH 4, 1965.

WITNESSES

HON. J. EDGAR HOOVER, DIRECTOR
CLYDE A. TOLSON, ASSOCIATE DIRECTOR
J. P. MOHR, ASSISTANT TO THE DIRECTOR

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	112,050	122,033	128,241
11.3	Positions other than permanent	15	28	28
11.5	Other personnel compensation	6,747	6,943	7,363
	Total personnel compensation	118,812	129,004	135,632
12.0	Personnel benefits	8,297	8,917	9,487
21.0	Travel and transportation of persons	5,892	5,524	6,354
22.0	Transportation of things	931	851	1,103
23.0	Rent, communications, and utilities	3,879	3,939	4,189
24.0	Printing and reproduction	345	299	373
25.1	Other services	1,963	1,898	2,114
26.0	Supplies and materials	1,824	2,078	1,974
31.0	Equipment	3,368	4,996	4,134
42.0	Insurance claims and indemnities	24	5	5
	Total costs, funded	145,335	157,511	165,365
94.0	Change in selected resources	1,334	−1,461	
99.0	Total obligations	146,669	156,050	165,365

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	14,422	14,776	15,583
Full-time equivalent of other positions	2	4	4
Average number of all employees	13,829	14,239	15,046
Average GS grade	8.1	8.0	7.9
Average GS salary	$8,193	$8,510	$8,467
Average salary of ungraded positions	$5,789	$5,981	$6,001

Program and financing

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Program by activities:			
	1. Security and criminal investigations			
	(a) Coordination	6,018	6,684	6,869
	(b) Maintenance of investigative records and communications system	6,493	7,261	7,743
	(c) Field investigations	111,446	119,371	126,575
	2. Identification by fingerprints	10,959	12,577	12,625
	3. Criminal and scientific laboratory	3,236	3,744	3,626
	4. Training schools and inspectional services	1,284	1,424	1,460
	5. General administration	5,899	6,450	6,467
	Total program costs, funded [1]	145,335	157,511	165,365
	Change in selected resources [2]	1,334	−1,461	
10	Total obligations	146,669	156,050	165,365
	Financing:			
25	Unobligated balance lapsing	173		
	New obligational authority	146,842	156,050	165,365
	New obligational authority:			
40	Appropriation	146,900	150,445	165,365
41	Transfer to "Operating expenses, Public Buildings Service," General Services Administration (77 Stat. 436)	−58		
43	Appropriation (adjusted)	146,842	150,445	165,365
44	Proposed supplemental due to civilian pay increases		5,605	
	Relation of obligations to expenditures:			
71	Total obligations (affecting expenditures)	146,669	156,050	165,365
72	Obligated balance, start of year	8,878	12,571	11,641
74	Obligated balance, end of year	−12,571	−11,641	−13,296
77	Adjustments in expired accounts	49		
90	Expenditures excluding pay increase supplemental	143,024	151,755	163,330
91	Expenditures from civilian pay increase supplemental		5,225	380

[1] Includes capital outlay as follows: 1964, $3,205,000; 1965, $4,834,000; 1966, $3,972,000.
[2] Selected resources as of June 30 are as follows:

	1963	*1964*	*1965*	*1966*
Stores	153	181	175	175
Unpaid undelivered orders	399	1,705	250	250
Total selected resources	552	1,886	425	425

Mr. ROONEY. Gentlemen, the committee will now please come to order.

This morning we shall direct our attention to the appropriation estimate for the coming fiscal year; to wit, 1966, for the Federal Bureau of Investigation.

It appears at page 103 of the committee print and in book II under tab 24 of the justifications.

We shall at this point insert in the record pages 24–1 through 24–39 of the justification book.

(The pages follow:)

Summarization

Funds: Fiscal years 1965 and 1966 (direct plus reimbursements)

[In thousands of dollars]

	Direct	Reimbursements	Total
1965 approved	150,445		
1965 supplemental request:			
To cover pay increases (Public Law 88-426)	5,605		
To cover work resulting from enactment of Civil Rights Act of 1964 (Public Law 88-352), extension of name check procedures, and investigation of White House personnel	5,030		
Total supplemental request	10,635		
1965 total (adjusted)	161,080	1,671	162,751
1966 requested	165,365	1,311	166,676
1966 increase or decrease	+4,285	−360	+3,925

Detail Justification

Authorization: Salaries and expenses, Federal Bureau of Investigation

[Dollars in thousands]

	1964 actual	1965 estimate	1966 estimate	1966 versus 1965
Direct obligations:				
Full-year employees	13,829	14,654	15,046	+392
Cost:				
Personnel compensation	$118,812	$131,760	$135,632	+$3,872
Personnel benefits	8,297	9,110	9,487	+377
Travel and transportation of persons	5,892	6,144	6,354	+210
Transportation of things	931	1,068	1,103	+35
Rent, communications, and utilities	3,879	4,144	4,189	+45
Printing and reproduction	345	365	373	+8
Other services	1,963	2,050	2,114	+64
Supplies and materials	2,105	1,920	1,974	+54
Equipment	4,421	4,514	4,134	−380
Insurance claims and indemnities	24	5	5	
Total other objects of expenditure	27,857	29,320	29,733	+413
Total direct obligations	146,669	161,080	165,365	+4,285
Estimated savings	173			
Total funds available	[1] 146,842	[2] 161,080	165,365	+4,285
Obligations payable out of reimbursements:				
Full-year employees	131	116	97	−19
Cost:				
Personnel compensation	$1,329	$1,270	$996	−$274
Personnel benefits	91	87	68	−19
Travel and transportation of persons	115	116	62	−54
Transportation of things	5	4	4	
Rent, communications, and utilities	13	11	11	
Printing and reproduction	1	1	1	
Other services	17	15	14	−1
Supplies and materials	13	12	12	
Equipment	97	155	143	−12
Total other objects of expenditure	352	401	315	−86
Total obligations payable out of reimbursements	1,681	1,671	1,311	−360

[1] When nonexpenditure transfer to General Services Administration for 1st year rental of space ($58,000) is added to this figure, the total appropriation is $146,900,000.

[2] Includes pending supplemental appropriation request (H. Doc. No. 80) for $10,635,000 for (1) $5,605,000 to cover cost of pay increases (Public Law 88-426) and (2) $5,030,000 to cover work resulting from enactment of Civil Rights Act of 1964 (Public Law 88-352), extension of name check procedures, and investigation of White House personnel.

Authorization: Salaries and expenses, Federal Bureau of Investigation—Continued

[Dollars in thousands]

	1964 actual	1965 estimate	1966 estimate	1966 versus 1965
Total direct and reimbursements:				
Full-year employees	13,960	14,770	15,143	+373
Cost:				
Personnel compensation	$120,141	$133,030	$136,628	+$3,598
Personnel benefits	8,388	9,197	9,555	+358
Travel and transportation of persons	6,007	6,260	6,416	+156
Transportation of things	936	1,072	1,107	+35
Rent, communications, and utilities	3,892	4,155	4,200	+45
Printing and reproduction	346	366	374	+8
Other services	1,980	2,065	2,128	+63
Supplies and materials	2,118	1,932	1,986	+54
Equipment	4,518	4,669	4,277	−392
Insurance claims and indemnities	24	5	5	
Total other objects of expenditure	28,209	29,721	30,048	+327
Total obligations	148,350	162,751	166,676	+3,925
Estimated savings	173			
Total funds	[3] 148,523	162,751	166,676	+3,925

[3] Excludes $58,000 transferred to General Services Administration for 1st year rental of space.

Obligations by activities

[In thousands of dollars]

	1964 actual	1965 estimate	1966 estimate	1966 versus 1965
Direct obligations:				
1. Security and criminal investigations:				
(a) Coordination	6,025	6,876	6,869	−7
(b) Maintenance of investigative records and communications system	6,521	7,483	7,743	+260
(c) Field investigations	112,428	122,739	126,575	+3,836
2. Identification by fingerprints	11,090	12,534	12,625	+91
3. Criminal and scientific laboratory	3,363	3,619	3,626	+7
4. Training schools and inspectional services	1,286	1,422	1,460	+38
5. General administration	5,956	6,407	6,467	+60
Total direct obligations	[1] 146,669	161,080	165,365	+4,285
Estimated savings	173			
Direct funds available	146,842	[2] 161,080	165,365	+4,285
Obligations payable out of reimbursements:				
1. Security and criminal investigations:				
(a) Coordination	136	111	107	−4
(b) Maintenance of investigative records and communications system	2	2	2	
(c) Field investigations	1,533	1,541	1,185	−356
4. Training schools and inspectional services	6	14	14	
5. General administration	4	3	3	
Total obligations payable out of reimbursements	1,681	1,671	1,311	−360
Total obligations	[1] 148,350	162,751	166,676	+3,925

[1] Exclusive of nonexpenditure transfer to General Services Administration for 1st year rental of space ($58,000).

[2] Includes pending supplemental appropriation request (H. Doc. No. 80) for $10,635,000 for (1) $5,605,000 to cover cost of pay increases (Public Law 88-426) and (2) $5,030,000 to cover work resulting from enactment of Civil Rights Act of 1964 (Public Law 88-352), extension of name check procedures, and investigation of White House personnel.

INTRODUCTION

The appropriation request for the fiscal year 1966 totals $165,365,000. This is an increase of $4,285,000 when compared with the overall amount required for the fiscal year 1965 and will provide for an additional 392 full-year employees (190 agents and 202 clerks).

The funds required for the fiscal year 1965 include $150,445,000 already appropriated and a supplemental request totaling $10,635,000.

	Funds	Full-year employees		
		Agents	Clerks	Total
Approved appropriation: (Public Law 88-527)	$150,445,000	6,014	8,225	14,239
1. Pay raise costs under Public Law 88-426, approved August 14, 1964. Bureau unable to absorb any of this added cost. On the contrary, additional funds and personnel must be requested so that we may cope with the work confronting us	+5,605,000			
Subtotal	156,050,000	6,014	8,225	14,239
2. (a) An additional 330 full-year employees (200 agents, 130 clerks) along with an additional 100 autos are needed to handle the new work growing out of the Civil Rights Act of 1964, Public Law 88-352, approved July 2, 1964. Will not be on rolls for full year and supplemental submitted based on achieving equivalent of 236 full-year employees (166 agents, 70 clerks)	+3,800,000	+166	+70	+236
Extension of name check procedures and investigation of White House personnel beginning latter part of October 1964:				
(b) Name search extension	+343,000		+77	+77
(c) Background investigations of White House personnel	+887,000	+62	+40	+102
Subtotal	+5,030,000	+228	+187	+415
Total supplemental request	(+10,635,000)	(+228)	(+187)	(+415)
Total requirements, 1965	161,080,000	6,242	8,412	14,654

The Bureau's request for $165,365,000 for the fiscal year 1966 will provide for 15,046 full-year employees (6,432 agents and 8,614 clerks). The increases of $4,285,000 and 392 full-year employees (190 agents and 202 clerks), when compared with our overall requirements for 1965, are brought about by the following factors.

	Funds	Full-year employees		
		Agents	Clerks	Total
The growing amount of work in the security field is such that our counterintelligence program should be expanded. This requires the utilization of 330 full-year employees and an additional 100 automobiles	+$3,010,000	+200	+130	+330
Continuation of promotional program	+1,121,093			
Statutory increases	+389,040			
Net increase in costs for the continuation of the support of the 336 additional employees for civil rights work who were on the rolls during part of the year in 1965 resulting in the utilization of the equivalent of 236 full-year employees in that year	+148,668	+34	+60	+94
Net increase in costs for continuation of extension of name check procedures. This new program is in effect for part of the fiscal year 1965 and 77 full-year employees are to be utilized. The full-year employment in the fiscal year 1966 will be 117	+220,532		+40	+40
Net decrease in costs in new program concerned with background investigations of White House personnel. In 1965, the full-year employment will be 102 as contrasted with 30 in the fiscal year 1966	−604,333	−44	−28	−72
Increase 1966	+4,285,000	+190	+202	+392

1966 increase over 1965 appropriation

The appropriation request for fiscal year 1966 of $165,365,000 represents an increase of $14,920,000 over the present appropriation for fiscal year 1965 of $150,445,000. This provides an increase over 1965 of 807 full-year employees (418 agents and 389 clerks). Of this increase of $14,920,000, an amount of $4,285,000 covers 392 additional full-year employees (190 agents and 202 clerks) for fiscal year 1966. The remaining $10,635,000 covers a supplemental appropriation request submitted for fiscal year 1965 (includes $5,605,000 for pay raise and $5,030,000 for civil rights, expansion of name check procedures and the investigation of White House personnel, covering 415 full-year employees—228 agents and 187 clerks). The tabulation following shows the itemization of the $14,920,000 increase.

	Funds	Full-year employees		
		Agents	Clerks	Total
Total direct appropriation request for fiscal year 1966	$165,365,000	6,432	8,614	15,046
Total direct appropriation request for fiscal year 1965	150,445,000	6,014	8,225	14,239
Total increase	14,920,000	418	389	807
Net increase chargeable to fiscal year 1966	−4,285,000	−190	−202	−392
Net increase chargeable to fiscal year 1965	10,635,000	228	187	415
Deduct supplemental request for fiscal year 1965 to cover pay raise cost	−5,605,000			
Net balance of supplemental request for fiscal year 1965 to cover cost of work arising from passage of Civil Rights Act of 1964, expansion of name check procedures, and security background investigations of White House personnel	5,030,000	228	187	415

Faced with a growing amount of work and added responsibilities, the FBI has been hard pressed to cope with all of the demands and there is no indication but that our work will continue to increase. Also, in handling the numerous urgent matters in the civil rights area and in the criminal field, many of which have involved the assignment of large numbers of personnel, we have had to divert manpower from other vital assignments, such as our counterintelligence program.

At the same time we have had a very real need for broadening our coverage in the counterintelligence field to meet our important responsibilities in that area. We have not been able to do this with the minimum personnel available.

This is the situation which has compelled us to request additional personnel in the fiscal year 1966 so that we might continue to handle new programs, such as that concerned with our expanded name check procedures, and to provide needed additional coverage in vital areas of our work, particularly in the counterintelligence field.

REPLACEMENT OF AUTOMOBILES

At the start of the fiscal year 1965, the authorized fleet of passenger-carrying vehicles of the FBI totaled 3,304. Taking into consideration the 100 additional vehicles proposed for purchase under the supplemental funds requested for civil rights work in the fiscal year 1965 and the 100 additional vehicles proposed for purchase in the fiscal year 1966 in connection with the program to implement broadened coverage in the security field, none of these vehicles being for replacement in either instance, the fleet will increase from the present authorized total of 3,304 to 3,504.

The Bureau's investigative responsibilities require cars capable of providing adequate service in those criminal activities involving the necessity for "hot pursuit" and in the surveillance functions concerned with counterespionage and other internal security operations. Although the Bureau will have an estimated 1,513 vehicles which will have met the minimum replacement standards of having attained an age of 6 years and/or having been operated a minimum of 60,000 miles, only 501 of them are proposed for replacement during that year. We will continue to obtain further service from the other older, high-mileage cars.

APPROPRIATION LANGUAGE CHANGE

The only appropriation language change is that regarding the proposed purchase of passenger-carrying vehicles. For the fiscal year 1965 the original language provided for the purchase of 501 vehicles, all for replacement purposes. A supplemental appropriation request has been submitted for the fiscal year 1965 to permit the purchase of 100 additional vehicles (not for replacement) in connection with civil rights work. This would bring the total to be purchased to 601 vehicles. The current (1966) language provides for the purchase of 601 vehicles of which 501 shall be for replacement only.

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."

An act making appropriations for expenses of the Government for the year ending June 30, 1872 (16 Statute 497), provided an appropriation for the detection and prosecution of crimes against the United States.

Title 18, section 3052, United States Code, as amended January 10, 1951, provides that "The Director, Associate Director, Assistant to the Director, Assistant Directors, inspectors, and agents of the Federal Bureau of Investigation of the Department of Justice may carry firearms, serve warrants and subpoenas issued under the authority of the United States and make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony."

Under authority contained in 5 U.S.C. 340 there was established under the jurisdiction of the Department of Justice a division of the Federal Bureau of Investigation to be known as the Division of Identification and Information. Pursuant thereto, the Bureau shall be vested with the duty of acquiring, collecting, classifying, and preserving criminal identification and other crime records and the exchanging of said criminal identification records with the duly authorized officials of Governmental agencies, of States, cities and penal institutions; and the cost of maintenance and operation of said Bureau shall be paid from the appropriation "Detection and prosecution of crimes" for the respective fiscal years concerned, as otherwise provided. The 85th Congress changed the Bureau's appropriation language for the fiscal year 1958 to provide that the exchange of identification and other records was for official use of the receiving departments or related agencies, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies.

The FBI, as the investigative arm of the Department of Justice, has also been vested with subsequent authority for certain auxiliary specific and general investigative responsibilities by the Congress, the Attorney General, and the President of the United States. Many of these responsibilities play a direct part in defense matters affecting the Nation's security. Specific authority therefor is set forth under the immediately following section designated "Objectives."

OBJECTIVES

There are summarized below the principal objectives and responsibilities upon the basis of which funds will be utilized by the Federal Bureau of Investigation:

1. *Criminal investigations.*—The investigation of violations of Federal criminal statutes; collecting evidence in cases in which the United States is or may be a party in interest; and performing other duties imposed by law.

Under this authority, the Federal Bureau of Investigation has investigative jurisdiction over a wide variety of 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 informa-

tion; interstate transportation of wagering paraphernalia; interstate travel or transportation in aid of racketeering; violations of the Selective Service Act; and those pertaining to civil rights; frauds against the Government; antitrust matters; and others in the criminal and civil fields of activity. Investigations to locate deserter fugitives are also conducted by the FBI upon request of the respective branches of the Armed Forces.

2. *Domestic intelligence.*—The FBI's responsibilities in the domestic intelligence field are authorized under legislative enactments, Presidential directives, and instructions of the Attorney General. They include investigative jurisdiction over matters relating to espionage, counterespionage, sabotage, treason, sedition, subversion, and related internal security functions.

Various laws of the United States bring within the investigative jurisdiction of the FBI the activities of the Communist Party, U.S.A.; its members and sympathizers; Communist front groups; totalitarian organizations; as well as any other subversive individuals or groups which are alleged either to seek the overthrow of the Government of the United States by force or violence or to conspire against the rights of citizens. The FBI has primary responsibility for investigating matters of these types in the United States, Puerto Rico, and the Virgin Islands.

3. *Coordination and dissemination of security data.*—By reason of various Presidential directives, the FBI has the responsibility of correlating information regarding espionage, sabotage, subversive activities and related matters on a national basis and of referring matters under the jurisdiction of any other Federal agencies in these fields to the appropriate sources. Under these Presidential directives the FBI disseminates a large volume of information to other agencies in the executive branch of the Federal Government. During the course of the Bureau's investigations, particular attention is given at all times to information indicating any Soviet-Communist hostile action. As a part of this overall program, the FBI makes name checks of its files for the various agencies of the Government. By reason of these functions, the FBI is inescapably tied in with all defense matters.

The FBI also conducts considerable research in all phases of communism and the intelligence operations of the Soviets and their satellites in order to determine the tactics of Soviet Russia and the satellite countries. Many of the various studies prepared in this field are furnished to other intelligence agencies who have, on a number of occasions, commented favorably concerning the value of these research studies in their own agencies.

The FBI has certain specialized defense functions in respect to which it operates as a member of the Interdepartmental Intelligence Conference and the U.S. Intelligence Board and other bodies created by the National Security Council. In connection with its participation in the work of such bodies, the FBI makes plans and recommendations on various problems concerned with strengthening the internal security of the Nation.

4. *Specialized security programs.*—FBI responsibilities in the field of specialized security programs are largely concerned with various sensitive types of applicant and employee investigations. The bulk of the work derives from legislative enactments and Presidential directives requiring the FBI to ascertain facts pertinent to the loyalty and security risk of employees and applicants for positions in the Government service or in activities incident to which the Government has an official interest.

5. *Identification functions.*—To gather, maintain, classify, and preserve identification data received from cities, States, penal institutions, Federal agencies, and private citizens. To furnish information concerning such records to duly authorized agencies of Federal, State, and local governments and institutions in the interest of law enforcement.

6. *Scientific crime detection.*—To maintain a well-equipped technical laboratory as an aid in scientific crime detection. The facilities of the FBI Laboratory are made available on a cost-free basis to local law enforcement agencies as well as Federal Government circles. The FBI's scientific personnel are made available to testify in court upon the request of prosecuting officials.

7. *Uniform crime reporting.*—To maintain a program of uniform crime reporting on a country-wide basis for the compilation of statistics concerning the extent of crime, arrests, convictions, and related crime data. This information is coordinated by the FBI and published in the form of four quarterly reports to demonstrate current crime trends as well as a comprehensive annual report. These are furnished to all law enforcement agencies, other governmental sources, social scientists, the news media, and the general public on request.

Summary of investigative accomplishments

	Fiscal year		1964 increase
	1963	1964	
Convictions	12,816	12,921	+105
Total sentences:			
Death sentences			
Life sentences	7	14	+7
Years	37,009	38,196	+1,187
Fugitives located	11,887	12,810	+923
Automobiles recovered	19,192	19,856	+664
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	$186,225,348	$210,771,402	+$24,546,054

NOTE.—The total $210,771,402 of fines, savings, and recoveries recorded during the fiscal year 1964 represents a return of $1.43 for each $1 of direct funds appropriated to the Bureau during that fiscal year.

PERCENTAGE OF CONVICTIONS

Fiscal year 1964: Convictions were obtained against 96.5 percent of the persons brought to trial during the fiscal year.

Guilty pleas: Of the 12,921 convictions obtained during the fiscal year 1964, 11,793 (91.3 percent) were on guilty pleas, while the remaining 1,128 (8.7 percent) were the result of trial before judge or jury.

JUSTIFICATION: SEAT OF GOVERNMENT—IDENTIFICATION BY FINGERPRINTS

Sets of fingerprints received for handling during the fiscal year 1964 reached a total of 5,846,347. This is an increase of 125,810, or 2 percent, over the prior year's volume and represents the highest volume of fingerprints received in the 19-year period since 1945. Other related work also posted substantial increases. For example, a total of 915,390 miscellaneous forms such as wanted notices and disposition of arrest sheets was processed during the fiscal year 1964 as compared with 871,512 during the fiscal year 1963. During the same comparative period, the number of wires and pieces of correspondence not accompanied by fingerprints rose from 114,719 to 125,218.

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 5,850,000 sets of fingerprints will be received for handling during the fiscal year 1966.

Fiscal year	Volume	Increase over 1960	Percent
1960 actual	5,202,907		
1961 actual	5,496,374	293,467	6
1962 actual	5,832,677	629,770	12
1963 actual	5,720,537	517,630	10
1964 actual	5,846,347	643,440	12
1965 revised estimate	5,850,000	647,093	12
1966 estimated	5,850,000	647,093	12

The Bureau's fingerprint file, established by congressional action in 1924, serves many agencies—Federal, State, and local—because of the Bureau's 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 January 1, 1965, this national fingerprint file contained 173,267,126 sets of fingerprints. Of this total, there were 46,500,020 sets of fingerprints in the criminal file representing an estimated 15,711,593 persons. The civil file contained 126,767,106 sets of fingerprints representing an estimated 62,692,276 persons.

MAINTENANCE OF INVESTIGATIVE RECORDS AND COMMUNICATIONS SYSTEM

Through its investigative and auxiliary functions the FBI comes into possession of a vast amount of data, such as those contained in the reports recording the results of investigations conducted in the many matters under the FBI's jurisdiction. These records are maintained at our headquarters and are so indexed that the information is quickly available. The Files and Communications Division has the responsibility of maintaining this vital centralized records system as well as the Bureau's extensive communications network.

Through Presidential authority and other directives the Bureau has 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. As a result, the Bureau's central record file serves many Federal agencies through the extensive name check service provided to them. During the fiscal year 1964 a total of 1,688,068 name checks was received with well over 1 million of these being submitted by other Federal agencies. This aids them to bolster their defenses against persons with criminal reputations, subversive backgrounds, and the like.

In the latter part of October, 1964, our name check procedures were expanded in regard to the more than 1 million name check requests received annually from other Government agencies. Not all agencies submitted a set of fingerprints or requested a separate name search of our Identification Division records for every name submitted for check against our investigative files.

Under the expanded procedure, we plan to have all agencies submitting name check search submissions to also request a search of the Identification Division records. The expanded name search procedures further provide that all name check requests from Government agencies will also include a search of criminal investigative file references even though this has not been requested by the submitting agencies in some instances in the past.

These expanded procedures require the utilization of additional personnel in both the 1965 and 1966 fiscal years.

According to official estimates, furnished primarily by outside sources for which a great bulk of such work will be performed and over which we have no control, our name check work will increase with an estimated 1,750,000 name checks to be received for handling during the fiscal year 1966.

The trend of the name check work over the past several years, together with the estimated volumes for the fiscal years 1965 and 1966, is shown in the following tabulation:

Fiscal year	Volume	Increase over 1960	
		Number	Percent
1960 actual	1,571,834		
1961 actual	1,628,685	56,851	4
1962 actual	1,832,930	261,096	17
1963 actual	1,823,184	251,350	16
1964 actual	1,688,068	116,234	7
1965 revised estimate	1,750,000	178,166	11
1966 estimated	1,750,000	178,166	11

CRIMINAL AND SCIENTIFIC LABORATORY

Continuing an upward trend which has not been interrupted for over a decade, a new record high of 257,060 scientific examinations was handled by the FBI Laboratory during the fiscal year 1964. The work is expected to continue to increase with an estimated 259,000 examinations to be received for handling during the fiscal year 1966.

The FBI Laboratory cooperates closely with municipal, county and State law enforcement authorities throughout the Nation as well as with other Federal agencies. Its services, including the court testimony of its expert staff, are cost-free to all duly constituted law enforcement agencies and other Federal agencies which desire to utilize the technical and scientific assistance of this outstanding laboratory. The wide extent of this cooperative assistance is reflected in the fact that during the fiscal year 1964, scientific examinations of evidence were made on the basis of requests emanating from all 50 States, the District of Co-

lumbia, Puerto Rico, the Virgin Islands, Canada, Bermuda, and Mexico, as well as from numerous Federal agencies. At the same time, the Laboratory made many examinations in connection with the work arising in matters under the investigative jurisdiction of the FBI. Actually, applications of science by the FBI Laboratory have grown to the point where the Laboratory now has an active part in practically every major undertaking by the Bureau.

The following tabulations show the actual volume of scientific examinations for the fiscal years 1960 through 1964, together with the estimated volumes to be received for the fiscal years 1965 and 1966, and a breakdown showing the types of agencies for which examinations were made during the fiscal year 1964.

Total scientific examinations

Fiscal year	Volume	Increase over 1960	
		Examinations	Percent
1960 actual	210,745		
1961 actual	224,183	13,438	6
1962 actual	231,456	20,711	10
1963 actual	247,894	37,149	18
1964 actual	257,060	46,315	22
1965 revised estimate	259,000	48,255	23
1966 estimated	259,000	48,255	23

NOTE.—The 257,060 scientific examinations received in the fiscal year 1964 exceeded the original estimate of 235,000 which was revised to 250,000 in the preceding budget for the past year. The fiscal year 1965 estimate, originally shown as 250,000, has been revised to 259,000. These estimates were revised upward to more nearly conform to the actual trend of receipts.

Classification by agency, scientific examinations made, fiscal year 1964

	Number	Percent
FBI field investigative staff	183,559	71
Other Federal agencies	10,810	29
States, territorial possessions, and foreign countries	62,691	
Total	257,060	100

TRAINING AND INSPECTIONAL SERVICES

The duties and responsibilities of the FBI have grown and become more complex over the years. At the same time, there has been an expansion in the volume of work received for handling in all major areas of operation. In fact, the entire law enforcement profession has seen its responsibilities and workloads mount to higher and higher peaks since the end of World War II. This makes it necessary that our staff be kept constantly informed of the changing tactics of the criminal and the subversive; the receipt of new responsibilities; the development of new techniques and procedures; and the like. Such factors as these have long underscored the fact that training is vital if our investigative and administrative operations as well as the cooperative efforts of the law enforcement profession are to be effective.

Our continuing program of training has been an integral part of our operations for many years and this is considered to be one of the important factors contributing to the high-performance standards of FBI personnel.

At the same time, through a program of inspection, a constant reevaluation is being made of our investigative and administrative operations. This aids in the attainment of maximum standards of production; in the streamlining of investigative operations; in the correction of delinquencies; and in the curtailment of expenditures.

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 1964, the FBI participated in

4,163 such police training schools which were attended by a total of 117,275 police officers.

The FBI also conducts law enforcement conferences on a nationwide basis dealing with pressing law enforcement problems confronting the law enforcement profession as a whole. The 1964 conferences were concerned with matters growing out of the fleeing felon problem as well as a detailed discussion of the newly enacted Civil Rights Act of 1964 and its relationship to law enforcement at all levels. The conferences were attended by 20,184 persons representing 6,406 agencies. Such conferences are designed to enhance the effectiveness of law enforcement through understanding and cooperation in matters of mutual interest and to provide better public protection for every community.

Another cooperative training activity which the Bureau conducts is the FBI National Academy. The graduation of the 74th session on October 21, 1964, brought the total number of Academy graduates to 4,640, including 92 law enforcement officers from a total of 28 different foreign countries throughout the world. About 29 percent of the graduates now actively engaged in law enforcement occupy positions as the executive heads of their respective agencies.

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 School 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.

FIELD JUSTIFICATION

Overall picture

Our investigative work throughout the field, particularly in the many and varied criminal classifications under our jurisdiction, continues to increase. This includes the involved and urgent investigations regarding civil rights matters which have required a mounting assignment of manpower.

At the same time, there has been no abatement whatsoever in our important internal security responsibilities and operations. Among other things, the Soviet intelligence services have over the years continued to increase their personnel and expand their operations. The growing Soviet espionage drive against this Nation increases and complicates our counterintelligence responsibilities. Additional coverage is needed in this area of our operations.

Further, special-type investigations are occurring with increasing frequency and are placing extraordinary demands upon our manpower and other resources. For example, matters growing out of the sit-ins, bombings, and related problems at Birmingham, Ala., have required the peak assignment of 231 special agents and by January 9, 1965, our costs had reached an estimated $677,010. In the investigation into the murder of Lt. Col. Lemuel A. Penn, who was shot while driving along a Georgia highway on July 11, 1964, as many as 83 special agents were assigned at one time and our costs are estimated at $103,090. The investigation into the assassination of President Kennedy and the subsequent murder of Lee Harvey Oswald placed tremendous demands upon our manpower and resources. As an aftermath, the Secret Service called on us from time to time to loan special agent personnel to augment its manpower when the President appeared in some localities. In the 12-month period following the assassination we loaned a total of 534 agents on 74 occasions.

Three civil rights workers were last seen in Mississippi on June 21, 1964, and became the object of an intensive search with a peak of 258 special agents being involved in this and other urgent matters in Mississippi. The bodies of the murdered civil rights workers were found on August 4, 1964. By January 2, 1965, our costs had reached an estimated $740,835.

Responsibilities resulting from new legislation contribute substantially to our increasing workload volumes. For example, numerous items of new legislation enacted in the fall of 1961 and shortly thereafter, the bulk of which was designed to aid in the drive against organized crime, had as of January 1, 1965, resulted in the opening of 29,233 new cases.

Additional new responsibilities continue to be received. This will further add to our workload volumes. Recent legislative enactments have included the following:

Public Law 88–200, approved December 13, 1963.—Amends the Peace Corps Act to make it a violation to misuse the Peace Corps name, seal, or emblem.

Public Law 88–201, approved December 13, 1963.—Makes unlawful the introduction, sale, or delivery in interstate commerce of any seat belt manufactured which does not meet standards prescribed by the Secretary of Commerce.

Public Law 88–251, approved December 30, 1963.—Extends the escape and rescue statutes to include individuals confined under the Juvenile Delinquency Act.

Public Law 88–316, approved June 6, 1964.—Prohibits schemes in interstate or foreign commerce to influence by bribery sporting contests, and for other purposes.

Public Law 88–352, approved July 2, 1964.—Civil Rights Act of 1964.

Public Law 88–353, approved July 2, 1964.—Amends section 1014, title 18, United States Code, to bring Federal credit unions under the purview of that section which covers the submission of false statements to influence the action of certain financial institutions.

Public Law 88–493, approved August 27, 1964.—Broadens the FBI's jurisdiction pertaining to the assaulting or killing of Federal officers and certain other individuals, by bringing under the provisions of the statute additional designated foreign personnel as well as security officers of the Department of State or Foreign Service.

Along the same line, in the latter part of October 1964, the President requested the FBI to undertake a program concerned with security background investigations of White House personnel. For the fiscal year 1965 a total of 1,100 such investigations will be involved. This new work will continue during the fiscal year 1966 since there will be a normal turnover in employment resulting in a flow of new employees requiring full-field security background investigations.

The Bureau is unable to absorb any of the added work involved in carrying out this new program and additional funds and personnel have been requested for both the fiscal years 1965 and 1966.

Workload volumes

The growing demands upon our field staff are reflected in the high number of pending investigative matters which totaled 127,751 on January 1, 1965. Six percent were in a delinquent status. The heavy backlog of work is also reflected in the growing number of assignments being carried by our investigative staff on an individual basis. On January 1, 1965, there was an average assignment of 23 matters. In contrast, on January 1, 1964, the average was 22 matters. At the same time in 1960 it was 17. This growing trend in the average volume of work assigned is not only an indication of increased productivity, it also mirrors the growing work and responsibilities we have been called upon to assume over the years.

During the fiscal year 1964, there were 666,982 investigative matters received in the criminal, civil, and security classifications. This is an increase of 30,611 matters, or 5 percent, over the high volume of work experienced during the prior year. The volume of our investigative work will continue to mount, it being estimated that 700,300 matters will be received for handling during the fiscal year 1966. These figures are exclusive of reimbursable applicant-type investigations to be referred from various Federal agencies and departments.

Investigative matters received exclusive of reimbursable applicant work

Fiscal year	Volume	Increase over 1960		Increase over 1964	
		Volume	Percent	Volume	Percent
1960 actual	537,335				
1961 actual	591,226	53,891	10		
1962 actual	637,090	99,755	19		
1963 actual	636,371	99,036	18		
1964 actual	666,982	129,647	24		
1965 revised estimate	690,000	152,665	28	23,018	3
1966 estimated	700,300	162,965	30	33,318	5

Overtime services

Many of our responsibilities give rise to matters which by their very nature must receive immediate and continuous investigation. As a result, some overtime is inevitable. In handling our growing work and responsibilities, however, our investigative staff has been performing over two times the minimum overtime necessary to qualify for the limited payments under fringe benefits regulations. This increases our productive capacity enormously. For example, on an overall basis, overtime performed during the fiscal year 1964 totaled 3,330,265 hours.

This was equivalent to the services of 1,601 special agents on a full-year basis. Had it been necessary to employ the additional 1,601 agents, the costs would have been in excess of $19 million. After considering the extent to which this overtime was compensated under fringe benefits regulations, there was a savings to the Government of nearly $13 million when compared with the value of the total overtime performed.

The 1966 appropriation request provides for funds to continue these payments for unscheduled and administratively uncontrollable overtime duty.

COMMUNIST PARTY, U.S.A.

Paramount allegiance to the Soviet Union has been a fundamental tenet of the Communist Party, U.S.A. from its very inception and throughout its existence it has never knowingly deviated from the views of the Soviet Union. The party looks upon our Government as its enemy which it seeks to overthrow, by forceful means if necessary.

In an effort to hasten the day when it can achieve that objective, the Communist Party, U.S.A. in 1964 has greatly stepped up its programs designed to increase its membership through the recruitment of youth; to place party leaders on college campuses; to increase the dissemination of its propaganda; and to create the false impression that it is a legitimate political party by entering candidates for public office.

It would be difficult to single out any period since the passage of the Internal Security Act of 1950 in which the party's optimism surpasses that experienced during 1964. The most important reason for this is the December 1963 decision of the court of appeals reversing the conviction of the party for failing to register under the provisions of the Internal Security Act of 1950 and the refusal of the Supreme Court to review the decision of the court of appeals.

In the belief that the "climate" in the United States is changing rapidly in its favor, the Communist Party, USA is beginning to open the veil of secrecy that has surrounded it since June 1961, when the U.S. Supreme Court upheld the order of the Subversive Activities Control Board that the party must register under the provisions of the Internal Security Act of 1950. Among other things, the party's national committee met in July 1964 for the first time since 1961; a new party program is in preparation; and party leader Gus Hall has indicated that a Communist Party, USA national convention will be held in 1965.

Although party members are being urged to speak out more freely about their beliefs, the party has given no indication that it intends to abandon its use of security measures. In most parts of the country, party members continue to employ safeguards to protect their identity and party meetings are still held under clandestine conditions.

Because of its stepped-up activities and the semi-clandestine manner in which the party operates, efforts to identify its members and activities become increasingly more difficult. We are dealing with a movement which is constantly fluid, constantly varied and elusive.

Few things would give the Communist Party, USA more comfort than a widespread underestimation of the menace which it presents to the internal security of the Nation.

INTERNAL SECURITY ACT OF 1950

There have been many years of hearings, judicial reviews, and trials growing out of the Government's efforts to act under the provisions of the Internal Security Act of 1950, all of which have involved a vast amount of investigative effort by the FBI.

On June 8, 1964, the Supreme Court denied the Government's petition to review an earlier court of appeals decision reversing the conviction of the Communist Party, USA for failing to register as an organization under the Internal Security Act of 1950. Under other provisions of the act, legal steps were also taken to have individual members register. Certain of these individual membership cases are now before the Supreme Court for review.

The investigative work of the FBI is keyed to the Government's prosecutive steps. Decisions upholding the Government's prosecutive position would definitely expand our work.

ESPIONAGE AND COUNTERINTELLIGENCE OPERATIONS

The subversive role of the Communist Party, U.S.A. is but one aspect of the Communist threat to the internal security of our Nation. The other is the

espionage and intelligence attacks mounted against this country by the Communist-bloc countries. Underlying both aspects of the threat to our internal security from the international Communist movement is the fact that we are competing with a totalitarian system, intent on our destruction, which operates the most extensive networks of subversion and espionage ever developed in history.

In regard to the Communist-bloc espionage attack against this country, there has been no letup whatsoever. Historically, the Soviet intelligence services have appropriated the great bulk of official positions abroad, primarily using their official representation and diplomatic establishments in other countries as bases from which to carry on their espionage operations. Over the years, the number of such official personnel assigned to the United States has steadily increased.

An accompanying and growing problem is the extent to which the Soviet intelligence services are dispatching undercover spies into the United States. Unless uncovered, they will eventually serve as the nucleus of an extensive clandestine espionage network. Another problem which requires a wider coverage in our counterintelligence work is the current emphasis being placed by the Soviet-bloc intelligence services on the utilization of bases in other countries in directing their intelligence attacks against this country.

Such factors as these indicate the need for increased coverage in this area of our operations.

CRIMINAL AND CIVIL OPERATIONS

The total of 564,493 investigative matters received during the fiscal year 1964 in the overall criminal and civil category is an increase of 33,248 matters over the volume received during the prior year. Our work in this area of operations has been steadily increasing for many years. This has been brought about by two main factors. First, there has been the steady receipt of added responsibilities and the broadening of our jurisdiction through legislative enactments and other official directives. Secondly, our growing workloads in the criminal classifications mirror the increasing volume of serious crime which confronts the Nation's law enforcement agencies at all levels.

During the calendar year 1963, serious crime in this country, according to reports from the Nation's local police agencies, registered a substantial 10-percent increase in volume over 1962. The shocking rise in crime over the last few years is clearly illustrated by the fact that since 1958 the Nation's population rise of 8 percent has been outstripped by a 40 percent increase in crime. In other words, during this period crime in the United States has increased five times faster than our population growth. The continuing mounting of the volume of crime is reflected in the 13-percent rise in serious crimes in this country during the first 9 months of 1964 over the same period in 1963.

At the same time, we continue to be called upon with increasing frequency to make special-type investigations which are always accompanied with extraordinary demands upon our available manpower and resources.

Such factors as these point to a continuing increase in the volume of work which the FBI can expect to receive in the criminal and civil categories during the fiscal year 1966.

Interstate transportation of stolen motor vehicles

Throughout the Nation during the calendar year 1963 nearly 400,000 automobiles were stolen, an increase of 11 percent over 1962. Over the past 6 years the volume of auto theft crimes has posted a 39-percent increase.

A number of these stolen cars are moved across State lines and even into foreign countries, bringing about a Federal violation under the jurisdiction of the FBI. The growing auto theft problem is reflected in the record high 19,856 such vehicles which were located and recovered in FBI cases during the fiscal year 1963. Some of these vehicles were handled by professional auto thieves who alter the identifying features of the stolen vehicles and then sell them to the unsuspecting public. At the close of the fiscal year 1964, there were some 70 such auto theft rings under investigation by the FBI. These investigations are involved, widespread, and time-consuming.

There is no indication but that the upward trend of this work will continue.

Fugitive Felon Act

The record high 3,062 fugitives located during the fiscal year 1964 under the Fugitive Felon Act clearly shows the great cooperative strides we have been enabled to make as the result of legislation broadening our jurisdiction to aid local law enforcement in locating far-ranging fugitives. During the fiscal year

1961 and prior to the new amendment enacted by Congress, a total of 1,418 such unlawful flight fugitives were located.

The broadened jurisdiction resulting from the amendment of the Fugitive Felon Act on October 4, 1961, has resulted in substantial additions to our workload volume. A total of 9,063 new cases had been opened as of January 1, 1965, under the provisions of the new amendment.

It is fully expected that the volume of work accruing under the provisions of the Fugitive Felon Act will continue to mount.

Bank robbery

The fiscal year 1964 witnessed the largest number of violations of the Federal Bank Robbery and Incidental Crimes Statute in our Nation's history. The 1,624 violations received for handling reflected an increase of 253 offenses, or 18 percent, over the previous year and included 1,014 robberies, 412 burglaries, and 198 larcenies of banks, credit unions, and savings and loan associations.

Such violations place growing demands upon our available personnel.

Organized crime and racketeering

Investigations of organized crime are divided into two main phases: (1) Intelligence operations, such as investigations to identify the hoodlums engaged in organized crime and to trace various secret and illicit sources of income by which the hoodlums support their criminal structures, and (2) prosecutive operations at local, State, and Federal levels with as much cooperation as possible between all three. In fulfilling its obligations in this respect, the FBI is conducting approximately 5,000 investigations into the various aspects of organized crime and is working closely with other law enforcement groups engaged in the same field of endeavor.

During the fiscal year 1964, for example, the FBI disseminated 187,014 items of criminal intelligence information to these other agencies, an increase of 49,273 over the number of similar items furnished during the previous year.

With the aid of three antigambling statutes enacted in September 1961, the FBI has succeeded in attacking many interstate sources of gambling revenue upon which the professional criminals have come to count.

Our workload has been substantially increased through the drive on organized crime, a total of 18,113 new cases having been opened as of January 1, 1965, under the 3 antigambling statutes alone.

Civil rights

A record high 3,340 civil rights cases were handled during the fiscal year 1964. This is an increase of 648, or 24 percent, over the heavy volume of such cases handled during the prior year and marks a continuation of the sharp upward climb in this work, which trend has now extended over a number of years. The heavy impact of this work is evidenced when it is considered that there has been a 139-percent increase in the number of civil rights cases handled in just the past 5 years. In 1960 there were 1,398 cases. This climbed to 1,813 in 1961 and to 2,085 in 1962. In 1963 the volume mounted to 2,692 and climbed to a new record high of 3,340 cases in 1964.

These are matters which require immediate handling and in many instances involve the extraordinary assignment of manpower and other resources.

Civil Rights Act of 1964

With the enactment of the Civil Rights Act of 1964 on July 2, 1964, numerous new provisions dealing with civil rights matters became effective, such as those concerned with public accommodations, public facilities, and public education. This new legislation has sharply increased our work in this area of operations, with some 960 cases having been received for investigation since the passage of the new legislation.

The Bureau has neither the available funds nor personnel to absorb any of the new work resulting from this new legislation, and additional funds and personnel have been requested for both the fiscal years 1965 and 1966.

CONCLUSION

The estimates for the fiscal year 1966 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 the estimates contained herein.

INCREASES REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount $165,365,000, which would be an increase of $14,920,000 over the amount appropriated to date for the current fiscal year.

However, there is a supplemental request pending for the current fiscal year; to wit, 1965, which we shall also take up today. This is in the amount $10,635,000.

We are pleased to have with us this morning the highly capable and distinguished Director of the Bureau, Hon. J. Edgar Hoover, together with his Associate Director Mr. Clyde A. Tolson and Mr. John P. Mohr, Assistant to the Director.

Mr. Hoover, you may proceed, if you will.

GENERAL STATEMENT

Mr. HOOVER. Mr. Chairman, our request for the fiscal year 1966 totals $165,365,000. It provides for 15,046 full-year employees distributed into 6,432 agents and 8,614 clerks.

The request which is being made for 1966 represents a total increase of $14,920,000 when compared with $150,445,000 presently appropriated for 1965.

This provides a total increase of 807 full-year employees (418 agents and 389 clerks).

Only $4,285,000 of the total increase is for the fiscal year 1966, and provides 392 additional full-year employees which consist of 190 agents and 202 clerks. The remaining $10,635,000 is for a supplemental appropriation request submitted for the fiscal year 1965.

Included in the supplemental request is an amount of $5,605,000 to cover the cost of pay raise legislation recently enacted by Congress. The balance in the amount of $5,030,000 is for 415 full-year employees (228 agents and 187 clerks) for work arising from enactment of the Civil Rights Act of 1964, expansion of name check procedures and security background investigations of White House personnel ordered by the President.

REQUIREMENTS FOR 1965

The funds required for 1965 total $161,080,000. This includes $150,445,000 already appropriated and a supplemental request totaling $10,635,000.

(Discussion off the record.)

Mr. HOOVER. In regard to the supplemental request for 1965, it will provide for 415 full-year employees (228 agents and 187 clerks).

Mr. ROONEY. Mr. Director, if I may interrupt, I want to get to the supplemental request at a separate point. We shall consider the requests as two separate packages for the purpose of printing in the record when the supplemental bill is put together.

Mr. HOOVER. I understand.

Mr. ROONEY. We shall take the supplemental at the end; after we have gone through the usual procedure which we have followed for years.

Mr. HOOVER. Very well. I merely mentioned that in order to lead into the 1966 appropriation.

FUNDS AND PERSONNEL, 1965 AND 1966

Mr. Chairman, I hand to the committee an exhibit comparing funds and personnel approved for 1965 with those required.

Mr. ROONEY. We shall insert this exhibit with regard to funds and personnel at this point in the record.

(The exhibit follows:)

Funds and personnel, fiscal year 1965 approved versus 1965 required

	1965 approved	1965 required	1965 increase (+) or decrease (−)
Personnel (full-year employees):			
Seat of government:			
Special agents	468	478	+10
Clerks	4,604	4,691	+87
Total (seat of government)	5,072	5,169	+97
Field:			
Special agents	5,546	5,764	+218
Clerks	3,621	3,721	+100
Total (field)	9,167	9,485	+318
Total:			
Special agents	6,014	6,242	+228
Clerks	8,225	8,412	+187
Total (seat of government and field)	14,239	14,654	+415
Funds:			
Personnel compensation	$123,711,557	$131,760,262	+$8,048,705
Other expenses:			
Personnel benefits	8,604,346	9,110,021	+505,675
Travel and transportation of persons	5,523,816	6,144,424	+620,608
Transportation of things	850,212	1,068,004	+217,792
Rent, communications, and utilities	3,939,786	4,144,228	+204,442
Printing and reproduction	299,063	364,734	+65,671
Other services	1,897,338	2,050,330	+152,992
Supplies and materials	1,808,353	1,919,399	+111,046
Equipment	3,805,529	4,513,598	+708,069
Insurance claims and indemnities	5,000	5,000	
Subtotal, other expenses	26,733,443	29,319,738	+2,586,295
Total, all expenses	150,445,000	161,080,000	+10,635,000

Mr. HOOVER. The request for 1966 totals $165,365,000 and represents an increase of $4,285,000 when compared with the total for 1965 of $161,080,000, which includes the supplemental.

The total of 15,046 employees required for 1966 is an increase of 392 full-year employees (190 agents and 202 clerks) when compared with the 14,654 for 1965. The increase includes 330 additional employees (200 agents and 130 clerks) which are needed to broaden our coverage in the security field. The remaining additional full-year employees result from the fact that the new programs concerned with civil rights, name check extension, and investigation of White House personnel which were started in 1965, will utilize a different number of full-year employees in that year as compared to 1966.

I present to the committee an exhibit which compares the funds and personnel required for fiscal year 1965 against 1966.

Mr. ROONEY. We shall at this point insert in the record the exhibit.

(The exhibit follows:)

Funds and personnel required, fiscal year 1965 versus 1966

	1965 required	1966 estimate	1966 increase (+) or decrease (−)
Personnel (full-year employees):			
Seat of government:			
Special agents	478	471	−7
Clerks	4,691	4,724	+33
Total (seat of government)	5,169	5,195	+26
Field:			
Special agents	5,764	5,961	+197
Clerks	3,721	3,890	+169
Total (field)	9,485	9,851	+366
Total:			
Special agents	6,242	6,432	+190
Clerks	8,412	8,614	+202
Total (seat of government and field)	14,654	15,046	+392
Funds:			
Personnel compensation	$131,760,262	$135,632,446	+$3,872,184
Other expenses:			
Personnel benefits	9,110,021	9,487,279	+377,258
Travel and transportation of persons	6,144,424	6,354,426	+210,002
Transportation of things	1,068,004	1,102,471	+34,467
Rent, communications, and utilities	4,144,228	4,188,659	+44,431
Printing and reproduction	364,734	372,966	+8,232
Other services	2,050,330	2,113,428	+63,098
Supplies and materials	1,919,399	1,974,020	+54,621
Equipment	4,513,598	4,134,305	−379,293
Insurance claims and indemnities	5,000	5,000	
Subtotal other expenses	29,319,738	29,732,554	+412,816
Total all expenses	161,080,000	165,365,000	+4,285,000

EXPLANATION OF INCREASE

Mr. HOOVER. In summary, there are six factors bringing about the net increase of $4,285,000 for 1966 shown by the exhibit just presented.

1. Implementation of our proposed expanded coverage in the security field will require 330 additional full-year employees and 100 additional cars. The overall cost is $3,010,000.

I present to the chairman for insertion in the record an explanation of the other five items.

Mr. ROONEY. We shall insert these at this point in the record.

(The exhibits follow:)

2. Continuation of the Bureau's promotional program brings about an increase of $1,121,093

This promotional program has been a part of our operations for many years. It is conservative in that it provides for an average increase of but $72.27 per employee ($111.61 per agent; $43.51 per clerk). It is also an important factor in enabling us to retain an experienced staff.

BUREAU'S PROMOTIONAL PROGRAM

Clerks.—Clerical employees in the Federal Bureau of Investigation, other than typists and stenographers, are appointed in grade GS–2 at $3,680 per annum. Typists are appointed in grade GS–3 at $4,005 per annum. Stenographers are appointed in grade GS–4 at $4,480 per annum.

Fingerprint technician vacancies in the FBI are filled from the staff of grade GS–2 ($3,680 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 ($4,005 per annum). After 9 months' total service the employee is eligible for consideration for promotion to grade GS–4 ($4,480 per annum). After a total of 18 months of fingerprint work the employee is eligible for consideration for promotion to grade GS–5 ($5,000 per annum). After a total of 30 months of fingerprint work he is eligible for consideration for promotion to grade GS–6 at $5,505 per annum. Fingerprint positions are available only in Washington, D.C.

Special agents.—Our special agents enter on duty in grade GS–10 at $7,900 per annum. After performing duties in this grade for at least 2 years, they become eligible for consideration for promotion to grade GS–11 ($8,650 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 $10,250 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 $12,075 per annum.

All employees.—As all employees qualify for more responsible positions in the Bureau's service, they become eligible for promotion to higher grades as vacancies occur.

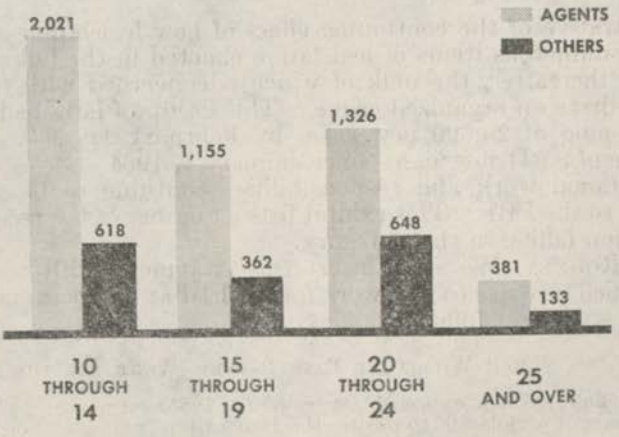
Our employees are eligible for within-grade salary increases on the same basis as Government employees in general; namely, by completing the prescribed waiting period of service and demonstrating performance at an acceptable level of competence. The prescribed waiting period is 1 year for the first three rates in any grade; 2 years for the next three; and 3 years for the remainder.

Having a staff with many years' experience constitutes a most valuable asset to the Government and results in the development of a tool for more efficient work performance—the know-how of proceeding quickly to the heart of any inquiry.

In considering the 14,515 employees on the rolls March 1, 1965, about 46 percent had been with the Bureau 10 years and over. This covers 21 percent of the clerical force and 78 percent of the special agent personnel.

LENGTH OF SERVICE -- FBI PERSONNEL

AS OF MARCH 1, 1965, THERE WERE 14,515 FBI EMPLOYEES, INCLUDING 6,292 SPECIAL AGENTS AND 8,223 CLERKS. OF THESE 6,644 (OR 46%) HAD SERVED THE FBI TEN YEARS OR LONGER. OF THE SPECIAL AGENTS, 4,883 (OR 78%) HAD TEN OR MORE YEARS OF SERVICE; AND OF THE OTHER EMPLOYEES 1,761 (OR 21%) HAD SERVED AT LEAST TEN YEARS.



3. There are statutory increases amounting to	$389,040
4. There is a net increase in costs for providing for the support of the 330 additional employees requested for civil rights work who entered on duty in 1965	148,668
5. The 117 employees who entered on duty in 1965 in connection with our expanded namecheck search-procedures program were on the rolls for only part of that year. They will be on the rolls during the entire fiscal year 1966. This brings about increases in 1966 for salaries and related other expenses in the amount of	220,532
6. There will continue to be a flow of security background investigations covering the turnover of White House personnel in 1966. This will require the utilization of 30 full-year employees (18 agents and 12 clerks) as contrasted to 102 full-year employees in 1965 (62 agents and 40 clerks). This reduction in full-year employees on this program in 1966 results in a net decrease in costs of	—604,333
Net overall increase (1966)	4,285,000

When the items making up the overall $4,285,000 increase are broken down into the various categories shown on the exhibit just presented (Funds and personnel required, fiscal year 1965 versus 1966), it will be seen that $3,872,184 is applicable to personnel compensation while the remaining $412,816 affects "other expense" items.

TREND OF WORK

Mr. HOOVER. Our investigative work has been on an upward trend over the past several years and increased sharply in 1964, particularly in the overall criminal category. This includes work ranging from numerous major criminal violations under our jurisdiction; such as the violations under the Federal Bank Robbery Statute which reached a new peak in 1964, to the mounting investigative problems confronting us in the civil rights field.

The increasing criminal work stems from two main factors: First, there has been a steady receipt of added responsibilities and broadening of our jurisdiction through legislative enactments and other official directives from the President and other sources. Secondly, our growing criminal work mirrors the increasing volume of serious crime which confronts the Nation's law enforcement agencies at all levels.

NEW LEGISLATION

Illustrative of the continuing effect of new legislation on our work are the numerous items of legislation enacted in the fall of 1961, and shortly thereafter, the bulk of which is concerned with the Government's drive on organized crime. This group of laws had resulted in the opening of 29,690 new cases by February 1, 1965. This is an increase of 8,941 new cases since January 1, 1964.

Additional work and responsibilities continue to be steadily entrusted to the FBI. This exhibit lists a number of the recent pieces of legislation falling in this category.

Mr. ROONEY. We shall insert this statement with regard to the laws which give rise to new work for the FBI at this point in the record.

(The statement follows:)

LAWS WHICH WILL GIVE RISE TO NEW WORK FOR THE FBI

Public Law 88-200, approved December 13, 1963.—Amends the Peace Corps Act to make it a violation to misuse the Peace Corps name, seal or emblem.

Public Law 88-201, approved December 13, 1963.—Makes unlawful the introduction, sale or delivery in interstate commerce of any seat belt manufactured which does not meet standards prescribed by the Secretary of Commerce.

Public Law 88-251, approved December 30, 1963.—Extends the escape and rescue statutes to include individuals confined under the Juvenile Delinquency Act.

Public Law 88-316, approved June 6, 1964.—Prohibits schemes in interstate or foreign commerce to influence by bribery sporting contests, and for other purposes.

Public Law 88-352, approved July 2, 1964.—Civil Rights Act of 1964.

Public Law 88-353, approved July 2, 1964.—Amends existing legislation to bring Federal credit unions under the purview of that section which covers the submission of false statements to influence the action of certain financial institutions.

Public Law 88-493, approved August 27, 1964.—Broadens the FBI's jurisdiction pertaining to the assaulting or killing of Federal officers and certain other individuals, by bringing under the provisions of the statute additional designated foreign personnel as well as security officers of the Department of State or Foreign Service.

Mr. HOOVER. All of this has been accompanied by a growing number of investigative problems in the security field as a result of stepped-up activities on the part of the Communist Party and the espionage attacks against this Nation by the Communist countries.

URGENT SPECIAL TYPE OF INVESTIGATIONS

Another factor which has had a great impact on our work and manpower is the growing number of urgent special-type investigations, particularly in the criminal and civil rights categories. These require the assignment of numerous special agents to a single investigation and result in a severe drain on our manpower and other resources.

The following situations illustrate this point:

1. The sit-ins, bombings and related racial matters at Birmingham, Ala., have involved a peak assignment of 231 agents and resulted in costs estimated at $699,880.

2. Following the disappearance of three civil rights workers in Mississippi on June 21, 1964, more than 100 special agents were brought into Mississippi from other offices to assist our staff already in the area. All told, a peak of 258 agents were involved in this and related matters. Our costs growing out of this investigation are estimated at $768,250 (Feb. 1, 1965).

We have received the fullest cooperation from the Governor of Mississippi, Governor Johnson. The President sent me down to Mississippi in July 1964 to confer with him. Prior to that time, relations had been most strained and very little cooperation was received from local authorities. As a result of our conference, Governor Johnson has extended cooperation through the Mississippi Highway Patrol, which is an excellent investigative organization.

I may also say that our men practically worked around the clock. As I said earlier, I went to Mississippi in July and saw the situation. They worked in the swamps which were infested with rattlesnakes and water moccasins.

We got no assistance in the area and every effort was made to frustrate the work of the agents. Many of our agents went without summer vacations.

Only a few got home for Christmas.

I believe our investigations have had a very salutary effect in the State of Mississippi in that there has been no similar act of violence since June of 1964.

(Discussion off the record.)

Mr. HOOVER. 3. The investigation of the murder of Lt. Col. Lemuel A. Penn, which occurred while he and two others were driving along a Georgia road on July 11, 1964, en route to Washington, D.C., involved a peak assignment of 83 agents. Costs incurred in connection with this matter are estimated at $103,090.

We had the full cooperation of the Governor of Georgia as well as the State Highway Patrol. We also had a confession from a coconspirator. The local jury, however, acquitted the defendants.

Colonel Penn was a Reserve officer and had never been connected with civil rights matters and had been an outstanding teacher in the schools in Washington, D.C. It was cold-blooded murder.

4. Numerous alleged violations of the Federal Train Wreck statute, including dynamitings in 1964, grew out of a labor dispute involving the Florida East Coast Railway. In addition to utilizing dozens of special agents from our Florida offices, a special squad of 20 agents from out of State was utilized.

5. Tremendous demands were placed on our manpower as a result of the investigation regarding the assassination of President Kennedy and the subsequent murder of Lee Harvey Oswald. In addition to immediately moving over 80 additional people to our Dallas office alone, virtually every one of our field offices as well as our liaison offices abroad were involved in one phase or another of the investigation. Among other things, some 25,000 interviews were handled.

Mr. ROONEY. How many interviews?

Mr. HOOVER. 25,000.

(Discussion off the record.)

Mr. HOOVER. As an aftermath of the assassination, we assisted the Secret Service in the protection of the President when he visited various localities. We furnished a total of 534 special agents on 74 occasions. This, I believe, is going to be corrected in this Congress in the appropriation for the Secret Service. They have the full and sole responsibility for the protection of the President. As it is, we have had to work jointly and wherever that happens, if anything goes wrong, the placement of responsibility is very difficult.

I must say that our relations with the Secret Service have been most harmonious. Mr. Rowley, who is the Chief of the Secret Service, was formerly an agent in the FBI. He is on the FBI National Academy faculty.

I hand to the chairman a statement which deals with the report of the State Department, on the basis of which I characterized Oswald "not a risk."

Mr. ROONEY. We shall insert this statement at this point in the record.

(The statement follows:)

STATE DEPARTMENT REPORT ON BASIS OF WHICH I CHARACTERIZED OSWALD AS A "THOROUGHLY SAFE RISK"

When testifying before the Warren Commission on May 14, 1964, I stated that a State Department report indicated Lee Harvey Oswald was a "thoroughly safe risk."

Such statement was based upon a Foreign Service dispatch from the American Embassy in Moscow to the Department of State, Washington, D.C., dispatch No. 29 dated July 11, 1961. This dispatch set forth a summary of Oswald's visit to the American Embassy, Moscow, U.S.S.R., on July 8, 1961, at which time Oswald requested to return to the United States with his wife. The dispatch

contains the following paragraph relating to Oswald as noted by the American Embassy interviewing official, Mr. Richard Snyder:

"Twenty months of the realities of life in the Soviet Union have clearly had a maturing effect on Oswald. He stated frankly that he had learned a hard lesson the hard way and that he had been completely relieved of his illusions about the Soviet Union at the same time that he acquired a new understanding and appreciation of the United States and the meaning of freedom. Much of the arrogance and bravado which characterized him on his first visit to the Embassy appears to have left him. He stated that he is in contact with his mother and a brother in the United States. He stated that he had about 200 rubles and that he and his wife would save more for eventual costs of traveling to the United States."

Further indication that the State Department did not consider Oswald a risk is shown by the fact that the State Department renewed Oswald's passport for a return to the United States and gave him a loan in the sum of $435.71 to finance his and his family's trip to the United States.

Additional evidence that the State Department did not consider Oswald a risk is shown by the fact that when Oswald requested a new passport for travel abroad on June 24, 1963, wherein he indicated he planned to stay abroad for from 3 months to 1 year and to visit England, France, Germany, Holland, Russia, Finland, Italy, and Poland, the State Department saw fit to issue him a passport for such travel on the following day, June 25, 1963. Obviously the State Department did not consider Oswald a risk in issuing him a passport on this occasion.

Mr. HOOVER. I submit to the chairman a statement dealing with the question of making assaults on the President a Federal offense. In substance, it urges some action be taken by Congress to make it a Federal crime to kill or assault the President of the United States. If it had been a Federal violation jurisdiction would have been under the Secret Service or the FBI and the episode in Dallas following the assassination would never have occurred.

Mr. ROONEY. We shall insert this statement at this point in the record.

(The document referred to follows:)

MAKING ASSAULTS ON PRESIDENT A FEDERAL OFFENSE

Several bills have been introduced in Congress to make assaults on the President, the Vice President or other officers next in order of succession, a Federal offense.

I am strongly in support of such legislation. However, I am opposed to divided investigative jurisdiction under such legislation and I recommend that a clear, unequivocal statement identifying the agency which is to have investigative jurisdiction be incorporated in the legislation. This is absolutely necessary in order to avoid the confusion that flows from divided responsibility. I also feel it would be imperative that the proposed legislation designate the President and specifically name the official position of the successors to the office of the Presidency who are to be within the purview of the statute.

I have repeatedly expressed this view to the Department of Justice in suggesting this type of legislation.

Mr. HOOVER. 6. I would also like to refer to the fact that under the provisions of the Civil Rights Acts of 1957 and 1960, we conduct numerous, involved investigations of alleged racial discrimination in voting. These matters frequently make unusual demands upon our manpower. They have involved thousands of interviews and the making of nearly 1 million photographic copies of voting records.

I submit to the chairman a page of my testimony for insertion in the record.

Mr. ROONEY. At this point, we shall insert the page to which you have made reference.

(The material follows:)

Being faced with a growing amount of work and added responsibilities, we have been hard pressed to cope with all of the demands and there is no indication but

that our work will continue to increase. Also, in handling the numerous urgent matters in the civil rights area and in the criminal field, many of which have involved the assignment of large numbers of personnel, we have had to divert manpower from other vital assignments.

At the same time we have had a very real need for broadening our coverage in the security field to meet our important responsibilities in that area. We have not been able to do this with the minimum personnel available.

This is the situation which has compelled us to request additional personnel in the fiscal year 1966 so that we might have the minimum personnel available to continue to handle new programs, such as that concerned with our expanded name check search procedures, and to provide the needed additional coverage in vital areas of our work, particularly in the security field.

OVERTIME SERVICE

Mr. HOOVER. I present to the committee an exhibit concerning the overtime service of our special agent personnel.

By reason of the heavy volume of investigative assignments in the field, we aggregated 3,330,265 hours of overtime in 1964 as compared with 3,175,081 hours during the prior year.

The 1964 overtime service averaged 2 hours and 28 minutes each workday. Our agents are only paid fringe benefits for 1 hour and 12 minutes.

Mr. ROONEY. We shall insert this document with regard to overtime service at this point in the record.

(The document follows:)

We have attempted to hold the overtime service of our investigative staff to a minimum. Investigations involving bank robberies and the like require immediate and continuous investigation and thus we inevitably have extensive overtime work in numerous situations.

With the heavy volume of investigative assignments throughout the field, many being of a highly urgent nature, the overtime service of our investigative staff reached an aggregate 3,330,265 hours during 1964 as compared with 3,175,081 during the prior year. The 1964 overtime service averaged 2 hours and 28 minutes each workday. This was over two times the minimum overtime (1 hour 12 minutes) necessary to qualify for the limited payments under the fringe benefits regulations of the Civil Service Commission.

The substantial cost-free overtime service on the part of the members of our investigative staff greatly increases their productive capacity, the overtime in 1964 being equivalent to the service of 1,601 special agents on a full-year basis. Had it been necessary to employ the additional 1,601 agents the cost would have been $19,152,129. The overtime, however, was compensated under fringe benefits regulations only to the extent of $6,175,191, resulting in cost-free service to the Government of $12,976,938 when compared with the value of the total overtime performed.

(Discussion off the record.)

PURCHASE OF AUTOMOBILES

Mr. HOOVER. The only appropriation language change is that regarding the purchase of automobiles. For the fiscal year 1965, the original language provided for the purchase of 501 vehicles, all for replacement purposes. The supplemental request for 1965 will provide for the purchase of an additional 100 vehicles, none of which are for replacement. This would bring the total to be purchased in 1965 to 601 vehicles.

The current language for the fiscal year 1966 provides for the purchase of 601 vehicles, of which 501 shall be for replacement only, thus providing for 100 additional vehicles.

Taking into consideration the 100 additional vehicles proposed for purchase in 1965 for civil rights work and the 100 additional vehicles proposed for purchase in 1966 for broadened coverage in the security field, none of the vehicles being for replacement in either instance, our authorized fleet will increase from the present total of 3,304 to 3,504.

I submit to the committee an exhibit itemizing the mileage and age of our cars.

Mr. ROONEY. We shall insert this itemization with regard to vehicles at this point in the record.

(The exhibit follows:)

Itemization of FBI authorized fleet of 3,304 passenger-carrying vehicles by year models and estimated accumulated mileage groups for fiscal year 1966, with summary showing vehicles meeting replacement standards during 1966

Miles	1951	1955	1956	1959	1960	1961	1962	1963	1964	1965	Total
0 to 9,999	------	------	------	------	2	------	3	1	78	501	585
10,000 to 19,999	------	------	------	------	------	------	1	9	129	------	139
20,000 to 29,999	------	------	------	------	4	6	11	48	127	------	196
30,000 to 39,999	------	------	1	3	9	16	33	79	85	------	226
40,000 to 49,999	------	------	------	9	26	64	101	143	46	------	389
50,000 to 59,999	------	------	------	23	60	98	106	84	22	------	393
60,000 to 79,999	1	1	------	115	177	161	156	102	10	------	723
80,000 to 99,999	------	1	1	154	130	90	64	28	1	------	469
100,000 and over	------	------	------	17	76	57	25	6	3	------	184
Totals	1	2	2	321	484	492	500	500	501	501	3,304

Summary showing vehicles meeting replacement standards of either 6 years age or 60,000 miles of operation

Number meeting mileage standard but not age	703
Number meeting age standard but not mileage	137
Number meeting both age and mileage standard	673
Total number of vehicles meeting replacement standards	1,513
Replacements included in funds requested	501
Number meeting replacement standards for which no funds are being requested	1,012

Car replacements have been held to an absolute minimum. An estimated 1,513 vehicles in our present fleet of 3,304 will have met replacement standards (6 years of age and/or 60,000 miles) by 1966. Under existing regulations up to 25 percent of the 3,304 cars, or 826, could have been considered for replacement. Because of our responsibilities, it would have been highly desirable to have requested replacement of the maximum number of the older, high-mileage cars in 1966. Instead, we held the replacements down to 501.

REIMBURSEMENTS

Mr. HOOVER. I hand to the chairman an item dealing with reimbursements.

Mr. ROONEY. We shall insert this item at this point in the record.

(The item follows:)

It is estimated that reimbursements totaling $1,311,074 will be received during the fiscal year 1966. These funds, which are for work performed for other Government agencies and from the sale of automobiles to be replaced, are not included in our direct appropriation request.

Itemization of estimated reimbursements, fiscal years 1965 and 1966

	Fiscal year 1965	Fiscal year 1966	Decrease (−)
Atomic Energy Commission	$1,079,000	$1,037,500	−$41,500
Workload: Investigations	2,600 at $415	2,500, at $415	−100
Civil Service Commission (United Nations program)	$79,574	$79,574	
Workloads:			
Name checks	1,345 at $1.75	1,345, at $1.75	
Full-field (loyalty) investigations	78 at $990	78, at $990	
Agency for International Development	$32,000	$32,000	
Workload: Training of foreign police officers	40 at $800	40, at $800	
Office of Science and Technology	$49,500	$49,500	
Workload: Investigations	50 at $990	50, at $990	
House Appropriations Committee (loan of personnel)	$308,660		−$308,660
Subtotal of reimbursements from other accounts	$1,548,734	$1,198,574	−$350,160
Proceeds from sale of cars to be replaced	$112,500	$112,500	
Number of cars to be replaced	(501)	(501)	
Proceeds from sale of typewriters	$10,160		−$10,160
Total estimated reimbursements	$1,671,394	$1,311,074	−$360,320

NOTE.—The above reimbursable funds will provide the following full-year employees:

	Fiscal year 1965	Fiscal year 1966	Decrease (−)
Agents	76	58	−18
Clerks	40	39	−1
Total	116	97	−19

Mr. ROONEY. By the way, I notice on the exhibit concerning reimbursements the loan of personnel to the House Appropriations Committee for which you are reimbursed $308,660. Have any of those people included in this been assigned to this subcommittee or to me?

Mr. HOOVER. At no time has any individual from the Bureau been assigned to your subcommittee.

Mr. ROONEY. Apparently you were not able to convince Newsweek magazine of that, Mr. Tolson?

Mr. TOLSON. I tried.

Mr. ROONEY. They said I had five personal agents at my beck and call and then they came back and said, when Mr. Tolson protested, "No; it was six."

NEWSPAPER AND MAGAZINE ATTACKS UPON THE DIRECTOR

Mr. HOOVER. They stooped to a new low in reporting.

(Discussion off the record.)

Mr. HOOVER. Of possible interest to the chairman are items which appeared in the December 23, 1964, Gallagher report and an item which appeared in the National Review of December 22, 1964. Ralph de Toledano in his King Features article "In Washington" released on December 5, 1964, gives his version of the attacks upon me.

Mr. ROONEY. We shall at this point insert these items in the record.

(The items follow:)

NEWSWEEK STOOPS TO NEW LOW IN REPORTING

December 7th cover story on J. Edgar Hoover and the FBI: According to Federal Bureau of Investigation Associate Director Clyde Tolson, story contained numerous misstatements of fact; e.g., (1) President Johnson is disenchanted with Hoover, seeks replacement; (2) FBI falsified car theft statistics; (3) Hoover never bothered to send note of condolence to Senator-elect Robert Kennedy when President Kennedy was assassinated. Newsweek Editor Osborn Elliott's reply (Newsweek, Dec. 21) unconvincing. Editor and publisher quotes Elliott as calling blunder "part of the game."

EDITORIAL RESPONSIBILITY AND INTEGRITY

Important to advertisers as well as readers, editorial disparagement of J. Edgar Hoover and FBI may cause advertising cancellations. Freedom of press and liberal approach no excuse for inaccurate, sensational reporting. Elliott should learn from mistakes Clay Blair made while Saturday Evening Post editor. No justification for generating editorial excitement at expense of accuracy, integrity. (The Gallagher report, Dec. 23, 1964)

[From National Review Bulletin, Dec. 22, 1964]

What was once the suspicion and dislike of the Johnson forces for the Kennedy claque has turned with startling suddenness into an enmity as murderous as a back-country feud. Cause for this metamorphosis is the attempted verbal assassination of FBI Director J. Edgar Hoover by Newsweek magazine. Though the plot confused and bemused the New York Times, the more sophisticated of Washington political observers saw it for precisely what it was: an effort to drive a wedge between Mr. Hoover and President Johnson, to the detriment of both.

The vehicle was, in itself, a major tipoff. Robert F. Kennedy's ties to Newsweek's Washington Bureau have long been the subject of wry comment in press and political circles here. This love affair has continued even though Bobby Kennedy has ceased to be a fountainhead of power in national politics. Newsweek itself corroborated the general suspicion that its J. Edgar Hoover story was inspired by the Kennedy grouping when it announced that the sources of its statement that the President was "disenchanted" with Mr. Hoover came from a "reliable White House source."

Mr. Johnson's people do not babble to the press unless they are under orders to do so. The President's discipline is iron and has not been ignored successfully to date. The only talkers in the White House contingent are the remaining Kennedy appointees. The canards in the Newsweek piece were, moreover, so transparently false and so easily demolishable that the Johnsonites would never have utilized them. The charge that Mr. Hoover had failed to send condolences to Mr. Robert Kennedy after the assassination of his brother, immediately countered by publication of the letter that had been written at the time, gave the lie to the snidest of the accusations. Unless Quincy missed it, Mr. Kennedy has yet to speak up on this point.

These matters aside, there is little doubt in anyone's mind that, at this particular point, Mr. Johnson has no desire to stir up unnecessary controversy. His relations with Mr. Hoover and the FBI have always been good—and it is fairly common knowledge in Washington that as Vice President he was one of those who counseled an end to the younger Kennedy's guerrilla attack on the Nation's internal security forces. Mr. Johnson has been aware of Mr. Kennedy's decimation of the Justice Department Internal Security Division. To continue any lighthearted dismissal of the Communist threat would hardly fit in with the administration's current strategy.

That strategy, at the moment, is to prevent any rocking of the boat. The Johnson honeymoon, most observers are agreed, has begun to sour. This increasing political testiness may not find voice in the Congress, a body notoriously slow to respond to external stimuli. But those who make it their business to test the public responsiveness report that the various groups which made up the Johnsonian political harem are beginning to practice the rolling-pin swing and the sidehand throw. With great problems on his doorstep, Johnson would hardly engage in a vendetta meaningless to him and so potentially harmful.

[From King Features Syndicate, New York, N.Y., Dec. 5 and 6, 1964]

IN WASHINGTON—BEHIND THE NEW ATTACKS ON J. EDGAR HOOVER

(By Ralph de Toledano)

The story, published prominently in Newsweek, that President Johnson is "disenchanted" with FBI Director John Edgar Hoover has been thoroughly knocked down by the White House. The President, in fact, has tacitly reprimanded the news magazine by wondering out loud why no check was made with him before so sensational a charge was made.

The President is aware that the story did no good to the cause of law enforcement—or to the orderly conduct of his administration. Mr. Hoover and Mr. Johnson have long enjoyed confidence in each other and the net effect of the canard, had it been accepted, could have been to encourage a rift between the two men.

What remains unexplained is why the story was written, who inspired it, and what led Newsweek to include in its attack on Mr. Hoover a number of assertions which do not hold up under research. Those who cover the Washington scene have been more intrigued by this aspect of the controversy than by the possibility, now removed, of bad blood between the FBI Director and the President.

Some indicators are being discussed here. It is noted that the story originated in Newsweek's Washington bureau, whose chief is on the record as an intimate of the Kennedy family. Senator-elect Robert Kennedy, who bears no love for President Johnson, has in the past made use of the "inspired" story. Since the major beneficiary of a Johnson-Hoover feud would be the Kennedy wing of the Democratic Party, observers are putting two and two together, though perhaps they have come up with the wrong answer.

Eyebrows certainly were raised when the Newsweek piece charged that Mr. Hoover had neglected to write a letter of condolence to Bob Kennedy, then Attorney General, at the time of JFK's assassination. The FBI has since released the text of a letter written by Mr. Hoover right after the tragic hours in Dallas. However little in common Mr. Hoover and the younger Kennedy held, it would be unthinkable for the FBI Director to have remained silent at that time. Why, it is being asked, was this never checked with the FBI prior to publication of the Newsweek piece? And why does the offending article state flatly that the FBI has assigned five agents to Representative John Rooney, Democrat, of New York, chairman of the subcommittee handling FBI appropriations. This is not a fact, but it does reflect on Mr. Hoover and Mr. Rooney. As a charge, it was certainly subject to checking.

Interestingly, Newsweek quotes former Assistant Attorney General Warren Olney III, a Republican, on the FBI's alleged failure to investigate the disappearance of Jesus J. Galindez, an anti-Trujillo professor from the Dominican Republic, in New York City. This was a sensational case, making many headlines. The simple fact is that the FBI had men working on the disappearance both in the United States and in the Dominican Republic. Other Government agencies also participated in the investigation, with no success. This could have been verified by a routine search of the files on the case.

The charge that the FBI is guilty of "foot-dragging" in civil rights cases and in organized crime must come as something of a surprise to many people. The FBI's anticrime performance is a matter of record, as the unwilling residents of our Federal prisons can attest to. As to civil rights, the FBI has been sharply criticized in the South for overzealousness. Those who have seen the Bureau at work know that both charges are false. The FBI has done its work in civil rights cases against tremendous odds. It has neither acted reluctantly nor has it crusaded.

Even in the face of these inaccuracies, Newsweek has stuck to its story. It has cited an important but unnamed personality as the source of its information. There has been considerable speculation in Washington as to the identity of the informant. But it is generally agreed that he is not a member of the LBJ team. Unlike previous Presidents, Mr. Johnson has been able to prevent leakage from those loyal to him.

But it is not lost on the inquisitive that Robert Kennedy has long hoped to remove Mr. Hoover from his post as FBI Director. Efforts to achieve this end failed in 1961 and 1962. The frontal assault was dropped in favor of sniping from concealed positions. Whether justifiably or not, the current onslaught is considered to be part of that campaign.

With the FBI's workload increasing and the rising threat of subversion ever present, this latest attack makes no sense—even in the fevered atmosphere of

Washington politics. The President, I am sure, will hardly appreciate these efforts.

INVESTIGATIVE ACCOMPLISHMENTS—FISCAL YEAR 1964

Mr. HOOVER. Turning to the field work of the Bureau, the growing work and productivity of the FBI during the fiscal year 1964 are reflected in the growth of its accomplishments.

CONVICTIONS

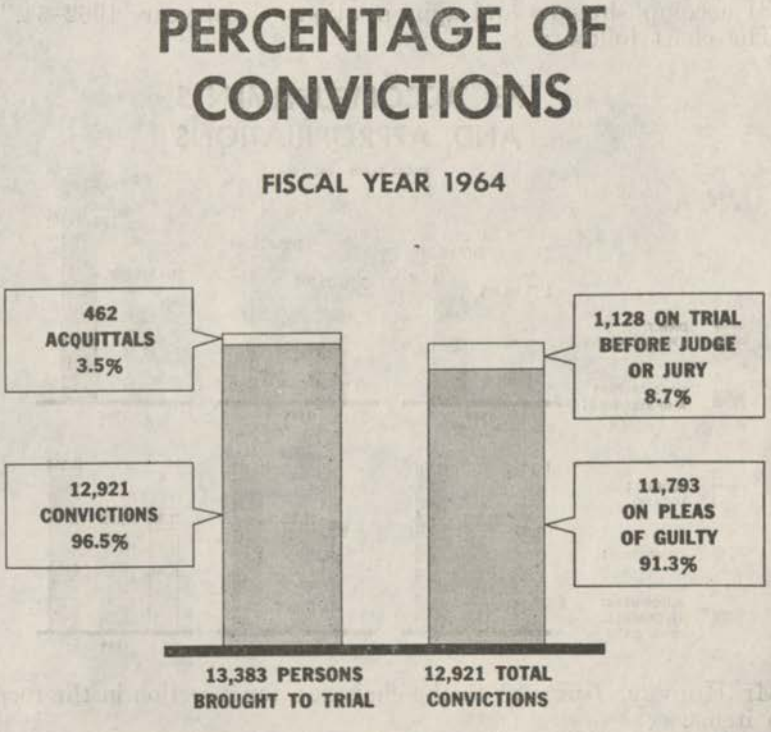
Convictions in FBI cases during 1964 totaled 12,921 as compared with 12,816 during the prior year.

The convictions during 1964 represented over 96 percent of the persons brought to trial and 91 percent of these resulted from guilty pleas.

I submit to the committee a chart which graphically shows these accomplishments.

Mr. ROONEY. We shall at this point in the record insert the chart "Percentage of convictions, fiscal year 1964."

(The chart follows:)



SENTENCES

Mr. HOOVER. The courts imposed sentences, including actual, suspended, and probationary, totaling 38,196 years in connection with the convictions recorded in FBI cases during 1964. There were also 14 terms of life imprisonment imposed.

FUGITIVES

A total of 12,810 fugitives were located, up 923 over the 11,887 located during 1963.

AUTOMOBILES RECOVERED

For the ninth consecutive year, a new peak was reached with the location of 19,856 stolen automobiles in FBI cases. This is an increase of 664 over the prior year.

FINES, SAVINGS AND RECOVERIES

Fines, savings, and recoveries in FBI-investigated cases increased $24,546,054 over the amounts recorded during 1963, reaching an all-time high peak of $210,771,402. When compared with the amount of the funds appropriated for the operation of the FBI during 1964, the total of the fines, savings and recoveries recorded averages $1.43 for each $1 of appropriated funds.

I hand to the committee a chart which graphically shows the FBI accomplishments and appropriations for the fiscal years 1962–64.

Mr. ROONEY. We shall insert at this point in the record the chart "FBI accomplishments and appropriations, fiscal years 1962–64."

(The chart follows:)

Mr. HOOVER. I present to the chairman for insertion in the record two items.

Mr. ROONEY. Very well, we shall insert these items at this point in the record.

(The items referred to follow:)

CONTRIBUTIONS OF CONFIDENTIAL INFORMANTS

As in past years, the services of our confidential informants have been invaluable. Through their assistance during 1964 a total of 2,671 persons were located, includ-

ing 1,246 who were in a fugitive status at the time. Their assistance also led to the recovery of stolen merchandise and contraband valued at $7,111,988.

Often information developed by our informants concerns matters under the jurisdiction of other agencies. This information is promptly relayed to them. During 1964 this led to the arrest by other Federal and local agencies of 3,012 subjects and in the recovery of merchandise valued at $4,495,722.

SEAT OF GOVERNMENT—SERVICE FUNCTION WORK

Turning now to our service function work pertaining to fingerprint checks, name checks, and the scientific examinations of the FBI Laboratory, all of this work is handled by our headquarters staff. On an overall basis there has been a continuing heavy volume of such work. A decline in the number of name checks received from outside sources was more than offset by the growing volume of fingerprint work, the sets of fingerprints received in the fiscal year 1964 having reached the highest peak in the 19-year period since 1945, and by the volume of scientific examinations which mounted to a new alltime high.

FINGERPRINTS

Mr. HOOVER. I hand to the committee a chart showing fingerprint receipts of the FBI Identification Division.

There were 5,846,347 sets of fingerprints received during 1964, up 125,810 from the 5,720,537 received during 1963 and the work is expected to further increase.

Other related fingerprint work also posted substantial increases.

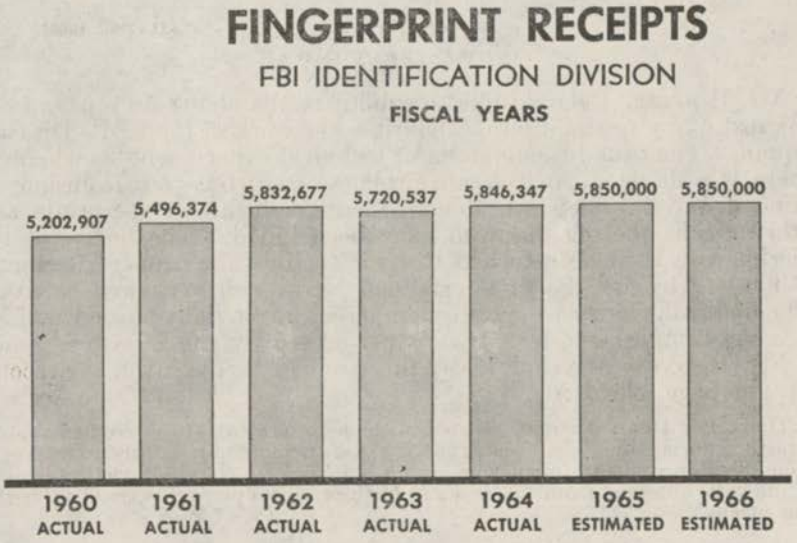
Between 1963 and 1964 the number of police prints increased from 2,254,696 to 2,372,091 with 77 percent of those processed in 1964 being identified with prior prints on file.

Mr. ROONEY. Mr. Director, how do you figure the 1966 fingerprint receipts will be static when compared with 1965?

Mr. HOOVER. The bulk of our receipts is determined by the extent of the submissions from other agencies. Our estimates are based on our actual experience, as well as indications from the contributing agencies of what their estimated submissions will be. We try to be as conservative as possible in making our estimates.

Mr. ROONEY. We shall insert this chart on "Fingerprint receipts" at this point in the record.

(The chart follows:)



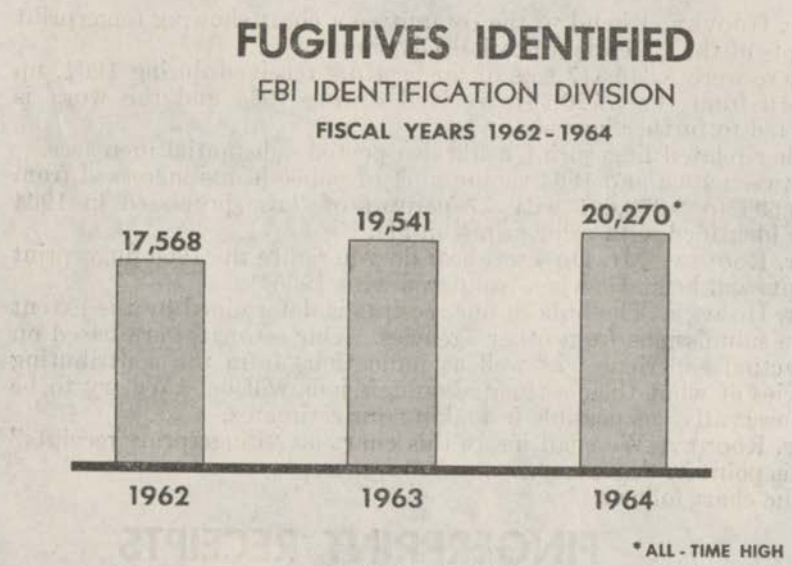
FUGITIVES IDENTIFIED

Mr. HOOVER. An alltime high of 20,270 fugitives being sought by local, State and Federal law enforcement agencies were identified by fingerprint searches during 1964.

I present to the committee a chart reflecting this accomplishment. I think it shows the wisdom of this committee—establishing back in 1924 the Fingerprint Division in the FBI and as this chart shows we reached an alltime high of identifying 20,270 fugitives in the last year through fingerprints alone. Names mean nothing. Some fugitives have as many as five or six aliases.

Mr. ROONEY. We shall insert this chart on "Fugitives identified, FBI Identification Division, fiscal years 1962–64" at this point in the record.

(The chart follows:)



DISASTER SQUAD

Mr. HOOVER. I should like to submit to the chairman a page from the text of my testimony that describes the work of the FBI's Disaster Squad. The squad is composed of technical experts who go wherever there is a disaster, such as an airplane crash, bus-train collision, or mine disaster. They are able to identify through fingerprints and other means the persons who have been killed. The bodies of the victims can then be returned to their families for proper interment.

The services of the disaster squad have been very well received. The bodies in many cases are dismembered and partially burned, making it a very unpleasant task that is performed by the Disaster Squad.

Mr. ROONEY. We shall insert that page at this point in the record.

(The page follows:)

The FBI's Disaster Squad assisted in the identification of the victims of eight disasters during the fiscal year 1964. These included five airplane crashes, a mine disaster, a bus-train collision, and a hotel fire. Of the 341 victims, fingerprints were obtained from 271 and 244 of these, or 90 percent, were identified by this means.

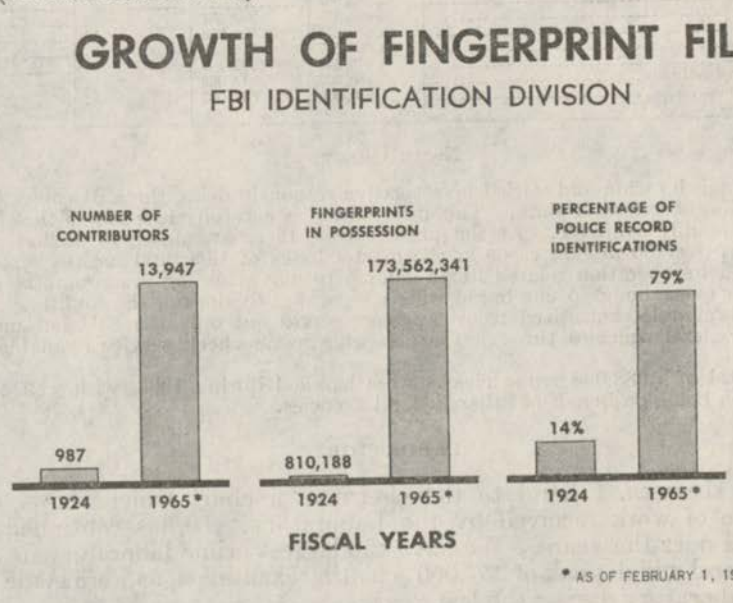
IDENTIFICATION DIVISION

Mr. HOOVER. Established on July 1, 1924, the FBI Identification Division celebrated its 40th anniversary in 1964 and today stands as a monument to the coordinated efforts and mutual cooperation of local, State, and Federal law enforcement agencies across the country. Its stature as the world's foremost identification facility is attributable to the support and participation of law enforcement at all levels. The Division was established with a nucleus of 810,188 fingerprint cards and during its first year of operation there were 987 contributing police agencies. Today there are 13,947 contributors and the number of sets of fingerprints on file has risen to 173,562,341.

I hand to the committee an exhibit which shows this expansion.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit follows:)



Mr. HOOVER. I present to the chairman a page showing some Identification Division statistics and also a page which deals with name check work that the Bureau is called upon to perform.

Mr. ROONEY. We shall insert that information at this point in the record.

(The pages follow:)

Identification Division established	July 1, 1924.
Number of contributors	13,947 (Feb. 1, 1965).
Number of wanted notices posted	78,856 (Feb. 1, 1965).

Number of prints of deceased and of persons 75 years of age and over removed from active file (Feb. 1, 1965):

Deceased	2,304,328
Age 75 and over	1,815,337
Total	4,119,665

Prints on file and estimated number of persons represented (Feb. 1, 1965)

	Type and number	Persons represented
Criminal	46,695,968	15,757,829
Civil	126,866,373	62,702,342
Total	173,562,341	78,460,171

Fingerprint workloads—Trend 1960–66 fiscal years

Fiscal year	Total	Increase over 1960		Increase over 1964
			Percent	
1960 actual	5,202,907			
1961 actual	5,496,374	293,467	6	
1962 actual	5,832,677	629,770	12	
1963 actual	5,720,537	517,630	10	
1964 actual	5,846,347	643,440	12	
1965 revised estimate	5,850,000	647,093	12	3,653
1966 estimate	5,850,000	647,093	12	3,653

Name Checks

Through its wide and varied investigative responsibilities, the FBI comes into possession of extensive data. This information is carefully indexed so that it is always readily available. At the present time there are nearly 5 million case files and over 50 million cards in the master index of this vital records system. Through its operation related items coming to our attention are promptly tied together even though occurring in widely separated sections of the country.

This valuable centralized records system serves not only the FBI but many other Federal agencies through the extensive name check service available to them.

A total of 1,688,068 name checks were handled during 1964, with well over 1 million being on behalf of other Federal agencies.

LABORATORY

Mr. Hoover. I hand to the chairman a chart which shows the volume of work received by the Laboratory. It has continued to expand over the years. We have the largest crime laboratory in the world and a high peak of 257,060 scientific examinations were made by our Laboratory during the last year.

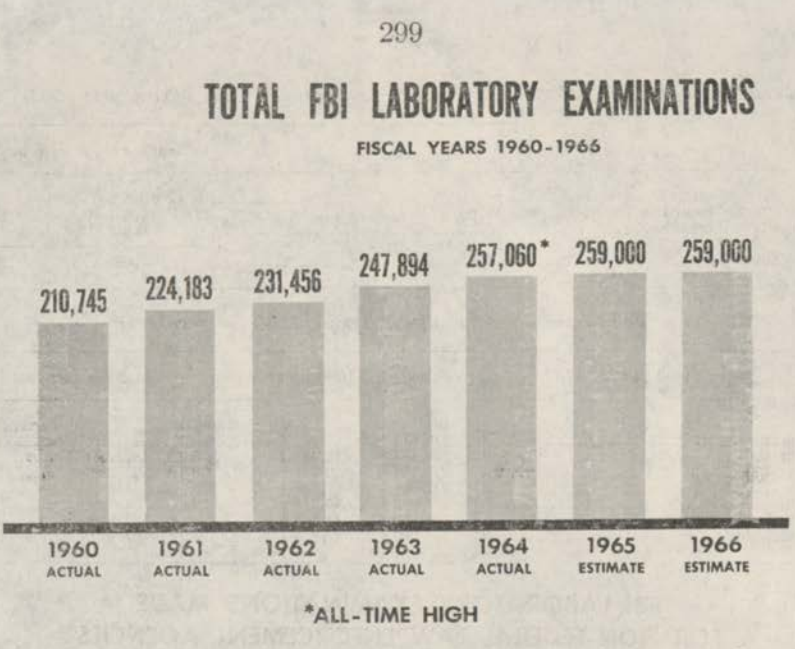
Mr. Rooney. Mr. Director, this chart which I hold in my hand, "Total FBI Laboratory examinations, fiscal years 1960–66" together with the chart we inserted in the record awhile ago where the figures for 1965 and 1966 are static, reminds me this is about the only agency in the Government which would have static figures for 1965 and 1966. If it were some other agency, the 1966 column would go up to the top of the page.

Mr. Hoover. We do not "balloon" our estimates.

Mr. Tolson. We use our actual workloads to make our estimates.

Mr. Rooney. We shall insert this chart at this point in the record.

(The chart follows:)



Mr. HOOVER. I would like to hand to the committee several pages which deal with the work our Laboratory performs in cooperation with other agencies, and also certain statistics concerning the Laboratory.

Mr. ROONEY. We shall insert these pages and the chart at this point in the record.

(The pages and chart referred to follow:)

SCIENTIFIC EXAMINATIONS

The volume of work received continued to expand during the fiscal year 1964 with the Laboratory performing a total of 257,060 scientific examinations, a new alltime peak. The upward trend is expected to continue.

The applications of science by the Laboratory have grown to the point where it now has an active part in practically every major program which we undertake. The fact that the Laboratory received some 3,682 items of physical evidence in the investigation growing out of the assassination of President Kennedy indicates the major role which it played in this matter. In addition to these technical aspects, the Laboratory personnel handled the preparation of over 22,000 photographs in connection with this investigation.

COOPERATION WITH OTHER AGENCIES

Science is one of law enforcement's most potent weapons and the FBI Laboratory as a service agency makes its outstanding services available to law enforcement at all levels throughout the United States. No charge is made for such services, including the availability of its experts to testify in court as to their findings.

This cooperative assistance is of great benefit to these other agencies in their fight on crime. For example, between January and December 1963, the Greensboro, N.C., Police Department had 11 unsolved safe burglaries. On December 14, 1963, two subjects were apprehended inside a building in the process of attempting to enter a safe. Clothing and tools from the subjects, their residences and automobile, together with the safe insulation and paints from the 12 burglarized safes, were sent to the FBI Laboratory. Through scientific examination, a total of nine of the safe burglaries were connected to the subjects. In March 1964, the subjects were tried in local court and found guilty of the burglary of the safe where they were caught. They also pleaded guilty to numerous other safe burglaries and are now serving long terms in the North Carolina State Prison.

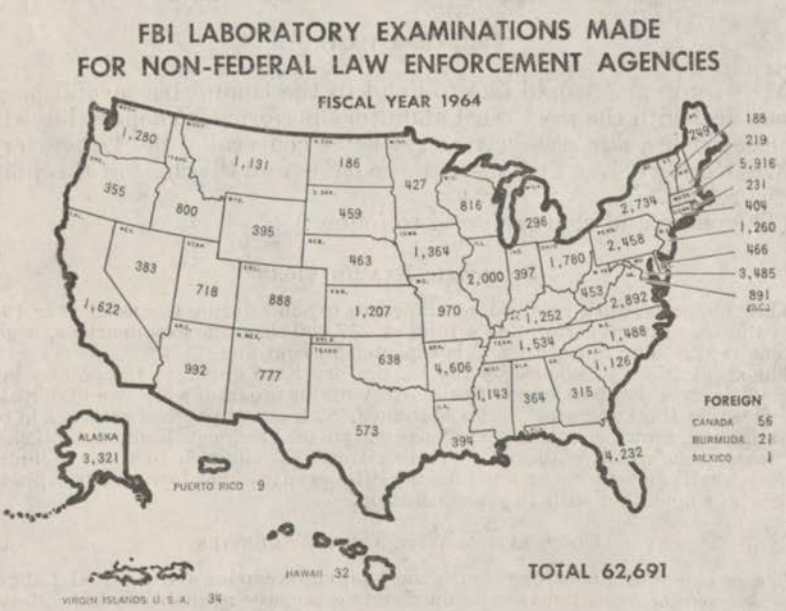
FBI Laboratory established, November 24, 1932.

Breakdown showing for whom scientific examinations made (fiscal year 1964)

	Number	Percent
FBI	183,559	71
States, foreign countries, territorial possessions	62,691	29
Other Federal agencies	10,810	
Total	257,060	100

Scientific examinations handled—Trend, 1960–66 fiscal years

Fiscal year	Volume	Increase over 1960		Increase over 1964	
			Percent		*Percent*
1960 actual	210,745				
1961 actual	224,183	13,438	6		
1962 actual	231,456	20,711	10		
1963 actual	247,894	37,149	18		
1964 actual	257,060	46,315	22		
1965 revised estimate	259,000	48,255	23	1,940	1
1966 estimate	259,000	48,255	23	1,940	1



Mr. HOOVER. This chart shows the wide geographical distribution of the thousands of examinations made by the FBI Laboratory for non-Federal law enforcement agencies during the fiscal year 1964. Throughout the entire country the work of our laboratory experts is being utilized without any cost whatsoever to the local authorities. They will send in guns, blood, and other items of physical evidence and when a local trial is held our experts will testify at no cost to the local authorities. I might say this service does create an excellent relationship between local authorities and ourselves because they receive a cost-free service and we get assistance from them in bank robberies and other violations which we have to handle.

TRAINING AND INSPECTION ACTIVITIES

Turning to the training and inspection activities of the Bureau, over the years the FBI has seen its work and responsibilities multiply. In fact, the work of the entire law enforcement profession has mounted to higher and higher peaks since the end of World War II. The expanding work, the new responsibilities, and the changing tactics of the criminal and the subversive present a continuing investigative challenge and have long underscored the necessity of a continuing program of training in the FBI. It serves to keep our investigative and administrative operations effective and enhances the cooperative efforts of the law enforcement profession. It is one of the important factors contributing to the high performance standards of FBI personnel.

INSPECTIONS

A responsibility closely allied with training is inspection work. It is vital to any organization. A continuing inspection program has been a part of the FBI's operations since its inception and has contributed immensely to the greater efficiency of our entire organization. Each office is inspected at least once a year and the inspectors operate directly out of my office in Washington and report back directly to me. It enables us to keep our investigative practices efficient, to improve our administrative operations on a continuing basis, to reduce our operating costs, and to keep our productivity at a high level.

LOCAL POLICE TRAINING SCHOOLS

Mr. HOOVER. We also conduct training schools for local law enforcement officers, and I hand to the chairman a page which outlines the work we have done in local police training schools. This work is done without cost to the local authorities.

Mr. ROONEY. We shall insert this page at this point in the record.

(The page follows:)

Local law enforcement is in the vanguard of the battle against lawlessness. The problems are great and with the mounting volume of crime it is vividly clear that only highly trained professional and dedicated officers can afford the citizens the protection they expect from their police departments.

We cooperate closely with other law enforcement agencies in the field of police training. One phase of this being our participation, when requested, in the training programs offered by the local police departments. During 1964 we assisted in 4,163 such schools throughout the country, which were attended by 117,275 officers.

Annual law enforcement conferences

As another part of our police training, each year the Bureau holds a series of nationwide law enforcement conferences. These are a valuable aid in bringing about closer cooperation within the law enforcement profession.

The 228 conferences held during the summer of 1964 were concerned with problems about the far-ranging fleeing felon as well as a detailed discussion of the newly enacted Civil Rights Act of 1964 and its relationship to law enforcement at all levels. The conferences were attended by 20,184 persons representing 6,406 agencies.

FBI NATIONAL ACADEMY

Mr. HOOVER. I should like to refer briefly to the work of our National Academy. We have 2 sessions a year attended by 90 to 100 persons. About 80 come from the United States and the remainder from foreign countries.

I hand to the chairman a page of my testimony which gives details concerning the National Academy and an exhibit about riot survey and riot control training.

I may say at the suggestion of the President we have conducted several hundred schools for the training of local officers in riot and mob control. Last summer the President asked me to make a survey of a series of riots.

Mr. ROONEY. According to the 10 o'clock news this morning I think they may need some kind of course such as this in Moscow.

Mr. HOOVER. Yes; I should think so.

Mr. ROONEY. We shall insert this page and exhibit at this point in the record.

(The material follows:)

FBI NATIONAL ACADEMY

One of our important cooperative training efforts over the years in the all-out battle to preserve law and order has been the FBI National Academy. Founded in 1935, the Academy has enabled selected, experienced, career law enforcement officers from agencies on all levels, both foreign and domestic, to receive valuable training. They, in turn, share the knowledge gained with the men of their departments.

The graduation of the 74th session on October 21, 1964, brought the total number of the Academy graduates to 4,640, including 92 law enforcement officers from a total of 28 different foreign countries. About 29 percent of the graduates now actively engaged in law enforcement occupy positions as the executive heads of their respective agencies.

RIOT SURVEY AND RIOT CONTROL TRAINING

An outbreak of mob violence in the form of riots occurred in seven cities and two beach resorts in the United States during the summer of 1964. In accordance with instructions of the President, a report concerning a survey of these riots was submitted by the FBI to the President on September 21, 1964.

The survey of these riots, based on voluminous reports gathered by agents of the Bureau from public officials, police officers, clergymen, leaders of responsible organizations, and individuals considered to be reliable in each of the nine communities involved, disclosed that none of the nine occurrences was a "race riot" in the accepted meaning of the phrase. They were not riots of Negroes against whites or whites against Negroes and they were not a direct outgrowth of conventional civil rights protests. The common characteristic of the riots was the senseless attack on all constituted authority without purpose or object.

Each of the seven major city riots with one exception was an escalation from a minor incident normal in character. In each incident there was first violent interference with policemen on the scene followed by the gathering of a crowd. Then, either because of exhortation of rabble rousers or further incidents caused by the disturbance, the crowd was increased by the arrival of youths looking for excitement or violence or worse. As mob spirit swept through the crowd it became increasingly unruly, began stoning police officers and civilians and spread through the streets, destroying and looting.

New York City is the only city where the initial event was not immediately followed by rioting. The shooting of a 15-year-old Negro boy armed with a knife by a lieutenant of the New York City Police Department on July 16, 1964, resulted in nationwide publicity and wild charges of police brutality. A full-scale grand jury, after hearing testimony from 45 witnesses, cleared the lieutenant. Despite the widespread publicity given to this case, it did not result in serious public disturbances for 2 days, and only then under the leadership of various troublemakers described later herein.

Riots started in Rochester, N.Y., on July 24, 1964, were sparked by the arrest of a young Negro who had been drinking heavily and caused a commotion at a street dance. Riots then occurred in Jersey City, N.J., August 2–4, 1964, when two policemen attempted to stop a fight between two Negro women at a housing project and at Elizabeth and Paterson, N.J., August 11, 1964, when police at-

tempted to disperse groups of disorderly Negro youths. A riot in Dixmoor, Ill., a suburban community outside Chicago, occurred on August 15, 1964, when a crowd of Negroes gathered to picket a liquor store whose owner had had a young Negro woman arrested for allegedly stealing a bottle of liquor from his store. Rioting broke out in Philadelphia, Pa., on August 28, 1964, when a Negro police officer made a routine investigation of a traffic tieup in a Negro section and arrested a Negro woman who refused to move her car and who resisted arrest.

The riots at the beach resorts, Hampton Beach, N.H., and Seaside, Oreg., over the Labor Day weekend involved groups made up predominantly of young whites ranging from youths in their late teens whose vacations were coming to an end, to toughs and other hoodlums in their middle twenties whose conduct indicated a purpose to make trouble and profit by it.

ALLEGED ORGANIZATION OF RIOTS—SUBVERSIVE INFLUENCES

A number of charges have been made that various organizations instigated the riots in one city or another. These charges were carefully investigated. The evidence indicates that aside from the actions of minor organizations or irresponsible individuals, there was no systematic planning or organization of any of the city riots.

Following several civil rights demonstrations which received widespread publicity throughout the country earlier in 1964, one widely publicized ex-convict, the late Malcolm X Little, in March 1964, announced a broadly based nationalist movement, the Muslim Mosque, Inc., for Negroes only. In this announcement, which was frequently repeated, Negroes were urged to abandon the doctrine of nonviolence and to organize rifle clubs "to protect their lives and property."

Shortly after the arrest in Philadelphia, Pa., on August 28, 1964, leading up to the riots there, a well-known Negro agitator, Abyssinia Hayes, a leader of a small splinter Black Nationalist group, got on the porch of a house and allegedly harangued the crowd urging them to violence against the police officers, charging that they had brutally abused the Negro woman arrested.

Another group seeking to exploit Negro unrest was the Progressive Labor Movement (PLM), a Marxist-Leninist group following the more violent Chinese Communist line. One of its organizers, Milton Rosen, is a former secretary of the New York State Communist Party, U.S.A. (CPUSA). Following the shooting in New York on July 16, the PLM under the leadership of this individual printed and had distributed thousands of copies of a handbill containing a photograph of the police lieutenant under the headline "Wanted for Murder." At the time the handbill was distributed throughout the Harlem area a mass demonstration was announced for July 25 to demand the arrest and prosecution of the lieutenant.

Another officer of the PLM, William Epton, also a former member of the CPUSA who resigned from the party because it was not sufficiently revolutionary, organized a number of groups in the Harlem area in New York City early in the summer. These groups, offshoots of PLM, were to be prepared to exploit incidents and were alerted to that end. Two days after the shooting above referred to, this individual harangued a street meeting in New York City announcing there was going to be a demonstration, "not necessarily peaceful," that he and his followers "were going to kill cops and judges," that "no revolution can be won by peaceful means" and that this state must be smashed "totally and completely."

Jesse Gray, a Negro who formerly was organizer of the Harlem region of the CPUSA, achieved widespread publicity early in 1964 through leadership of rent strikes. Three days after the shooting on July 16, this individual issued a public call for "a hundred skilled black revolutionaries who are ready to die" to correct what he called "police brutality."

Two individuals with histories of Communist affiliation, Clarence Coggins and Richard Sarjeant, while not starting the riots, capitalized on them in at least two of the cities in New Jersey and tried to continue them. Coggins is chairman of the Labor Negro Vanguard Conference, a local group in New Jersey with only a few members, organized in 1961 by Coggins who, along with other of its active members, was expelled from the CPUSA in 1959, following a factional dispute. Neither Coggins nor Sarjeant appears to be more than a local and comparatively unimportant independent agitator.

The CPUSA does not appear to have officially instigated these riots though its members were observed taking part in some and its former members are leaders of the PLM, the Labor Negro Vanguard Conference and other such groups.

RIOT CONTROL TRAINING

Following his study of the survey, the President, on September 26, 1964, among other things, directed the FBI through the FBI National Academy, to make riot control training available to all police departments in the United States. He instructed the Secretary of Defense to enlarge the program of the U.S. Army for demonstration techniques of riot control, to make these techniques a larger part of the training of the National Guard, and to make them available to local police forces. The FBI was instructed to take the lead and coordinate the program of offering this training to local law enforcement and to call upon the military when assistance is needed. Steps were immediately taken to get the training underway and by March 1, 1965, the FBI had provided training assistance on riot and mob control planning and procedures to local law enforcement at 248 schools, attended by 9,473 law-enforcement personnel.

Actually, riot control planning and training have been a part of the curriculum of the last several sessions of the National Academy; with the graduation of the 74th session on October 21, 1964, a total of 336 graduates have received such training. These graduates, in turn, pass on the benefits of their training to law-enforcement officers in their respective areas.

Additionally, a corps of knowledgeable FBI instructors is available throughout the country to provide training in riot control planning and procedures, on a field level, at the thousands of police training schools conducted for local law enforcement under the FBI's field police training program.

To further assist local law enforcement in this vital aspect of its work, the FBI prepared a training booklet, "Prevention and Control of Mobs and Riots," for dissemination on a nationwide basis.

PUBLICATIONS

Mr. HOOVER. I refer to the publication which we issue called "FBI Law Enforcement Bulletin." That is a monthly publication. It costs very little per copy to have it published. It contains not only technical articles on law enforcement as a profession, but it also serves as a means of distributing data concerning fugitives and missing persons.

Another publication, originally initiated at the suggestion of the chairman of this committee some years ago, is called "The Story of the Federal Bureau of Investigation." It costs 3 cents a copy to prepare and is in great demand by students and others who want to know what the Bureau is and does.

NATIONAL CRIME TRENDS

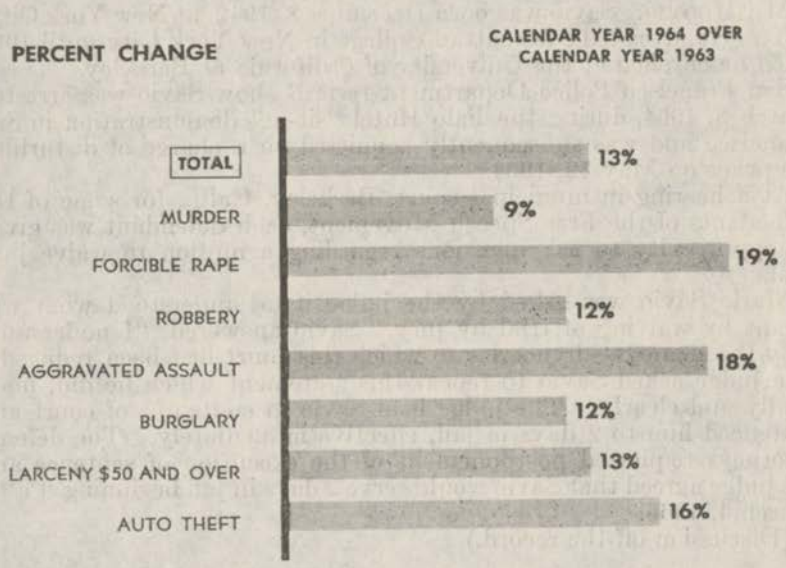
I submit to the chairman an exhibit which deals with national crime trends.

There has been a marked increase since 1958. Crime in the United States since then has increased five times faster than the Nation's population and it is continuing to go up. Although there were an estimated 2,259,100 serious crimes committed during the calendar year 1963, representing a 10-percent increase over 1962, preliminary data for 1964 discloses significant increases in all crime classifications. In 1964 there was a 13-percent increase in serious crime over 1963. Murder increased 9 percent, forcible rape 19 percent, robbery 12 percent, aggravated assault 18 percent, burglary 12 percent, serious larceny 13 percent and auto theft rose 16 percent.

Mr. ROONEY. The exhibit with regard to crime trends in the United States will be inserted at this point in the record.

(The exhibit follows:)

CRIME TREND IN THE UNITED STATES



Mr. Bow. Mr. Chairman.

Mr. Rooney. Mr. Bow.

Mr. Bow. How does this compare with other leading nations of the world?

Mr. Hoover. I would say the upward trend of crime is almost universal.

Mr. Bow. These increases are similar in other major countries?

Mr. Hoover. I would not say they are similar but I do know that crime is on the increase in Great Britain, Western Europe, Canada, Australia, and India. All of the industrial countries have a very serious juvenile crime problem.

I also notice from the press they have had serious crime problems in Moscow and throughout the Soviet Union.

There is not as much of a juvenile crime problem in some oriental areas, like Japan. Crime has increased somewhat over the last several years in some oriental countries but the respect for the family, for the father, for a background of respectability, is strong with the orientals. It is evident in this country in California, where you find proportionately fewer of the orientals getting into serious difficulty as a result of the control and discipline in the homes.

This trend may change as the younger generation becomes exposed to those influences which weaken this strong family control; for instance, the rioting and picketing recently at the University of California at Berkeley demonstrated disrespect for authority.

MARIO SAVIO

Mr. ROONEY. What is the background of the chap who went out there from New York City and led that riot?

Mr. HOOVER. Mario Savio?

Mr. ROONEY. Yes.

Mr. HOOVER. Savio was born December 8, 1942, at New York City, N.Y. He attended Manhattan College in New York City until 1963 when he enrolled at the University of California at Berkeley.

San Francisco Police Department records show Savio was arrested March 8, 1964, during the Palo Hotel "sit-in" demonstration in San Francisco and was subsequently acquitted on a charge of disturbing the peace on May 12, 1964.

At a hearing in municipal court, Berkeley, Calif., for some of the defendants of the Free Speech Movement, each defendant was given an opportunity to ask questions regarding a motion to waive jury trial.

Mario Savio was asked by the judge if he understood what was meant by waiving of trial by jury. Savio answered, "I understand fully the shameless hypocrisy to which this court has been reduced." The judge asked Savio to repeat this statement which he did, more loudly and clearly. The judge held Savio in contempt of court and sentenced him to 2 days in jail, effective immediately. The defense attorneys requested postponement of the execution of sentence and the judge agreed that Savio would serve 2 days in jail beginning 9 a.m. March 4, 1965.

(Discussion off the record.)

YOUTHFUL CRIMINALITY

Mr. HOOVER. I hand to the chairman a page from my text which deals with youthful criminality.

Mr. ROONEY. We shall insert that page at this point in the record.

(The page follows:)

For the country as a whole in 1963, persons under 18 years of age comprised 17 percent of all police arrests for criminal acts. However, for the serious offenses of criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny and auto theft, these young persons were represented in 46 percent of the arrests nationally. Police arrests of these young people for these crimes in the past 6 years have been increasing twice as fast as their population growth. Preliminary arrest figures for 1964 indicate a 13-percent rise in juvenile arrests over those in 1963.

While these statistics indicate our young people contribute a disproportionate share to the total crime picture, arrest rates show that better than 95 percent of our young people do not become involved.

Mr. HOOVER. There is a great trend in the country today to ease up on sentencing, the length of sentences, and on the releasing of criminals without basic statistics upon which one can draw as to whether they will be repeaters. If they are likely to be repeaters and cannot be reformed, they should not be released to prey on the public.

I have often said there is too much concern on the part of our Federal, State, and local courts for the rights of the individual charged with a crime. I think he is entitled to his civil rights, but I think the citizens of this country ought to be able to walk all of the streets of our cities without being mugged, raped, or robbed. You cannot walk the streets of New York with safety, you cannot do it in Wash-

ington, D.C. and you cannot do it in Chicago. All through the country almost without exception that condition prevails. The rights of the law-abiding citizens are not being given sufficient consideration.

In my opinion the courts in some instances have been entirely too lenient in the sentences imposed. Some parole boards have very loosely used their parole power. In some cases corruption has been involved. Some parole officers have been in the pay of Cosa Nostra.

(Discussion off the record.)

Mr. ROONEY. Mr. Director, since you mentioned the Cosa Nostra, this week we had testimony here that it cost the United States about $3,000 a month to keep a man named Valachi in custody and well fed. What do you think of the contributions, if any, that he made which allegedly might justify the expenditure of that kind of money?

Mr. HOOVER. I know of only one concrete contribution he made.

Mr. ROONEY. What was that?

Mr. HOOVER. Following Valachi's testimony before the Congress, he was made available to New York State authorities and testified before a grand jury in Queens County, New York City, concerning the racketeering murders of Anthony "Little Augie" Carfano and Carfano's mistress which took place on September 25, 1959, in Queens County, New York City. No indictments were returned. He has furnished considerable information of value concerning Cosa Nostra.

I was not in favor of the release of Valachi's testimony because I felt if there was any merit to what he had to say it ought to be run down and tried in court. My feeling in approaching the criminal problem has been not to do any talking of what you will do or what you have until you can make an arrest.

(Discussion off the record.)

CRIME HIGHLIGHTS

Mr. HOOVER. I submit to the chairman an exhibit which sets forth the highlights of crime.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit follows:)

Crimes against property—robbery, burglary, larceny $50 and over in value and auto theft—are the offenses with the highest frequency and constituted 92 percent of the serious crimes committed in the United States in 1963. They increased 11 percent in volume over 1962. Crimes against the person—murder and nonnegligent manslaughter, forcible rape, and aggravated assault—rose 5 percent in volume over 1962. On the average a murder, forcible rape, robbery, aggravated assault, burglary, serious larceny, or automobile theft occurs every 15 seconds in the United States.

Burglary

Among the serious crimes, burglary is the one which is most frequently committed and accounted for 44 percent of the serious offenses in 1963. The estimated 975,900 burglaries involved a loss of more than $205 million.

Larceny

Losses from all larceny offenses totaled about $182 million in 1963. This does not include many other larcenies, particularly those of small value, which were not reported to the police.

All types of larceny increased during 1963 with the exception of pocket picking which dropped 11 percent. Purse snatching and shoplifting rose 13 percent followed by thefts from automobiles up 11 percent and thefts of automobile accessories which were up 8 percent. Thefts from automobiles and thefts of automobile accessories accounted for 40 percent of all larcenies.

Robbery

Robbery is a particularly vicious-type offense in that force or real threat of force is used to deprive the victim of money or property and in many instances bodily injury occurs. In 1963 there were over 100,000 such crimes, a 5-percent increase over 1962. Based on a recent study, armed robbery constituted 59 percent of all robberies while the remaining 41 percent were of the strong-arm type. Robbery is primarily a big-city offense when measured by the frequency with which it occurs in those areas.

Auto theft

Over 399,000 autos were stolen during 1963, an increase of 11 percent over 1962. This is an average of one theft every minute and the value of autos stolen during 1963 exceeded $369 million. Since 1958 auto theft has increased 39 percent. Ninety-one percent of the stolen cars were recovered; however, the remaining 9 percent represented a net loss of more than $33 million. The highest arrest rate was for persons 15 to 19 years of age. Offenders under the age of 18 accounted for 63 percent of all auto theft arrests while persons under the age of 25 were responsible for 88 percent of the total arrests.

Our studies of the auto theft problem indicate that slightly more than 4 out of every 10 cars stolen have the key in the ignition or the ignition is unlocked. About 25 percent of the cars are stolen for use in another crime, resale, or for the purpose of stripping them for parts. The remaining 75 percent are taken for transportation reasons. Two-thirds of all auto thefts occur at night and over one-half of these automobiles are stolen from private residences, apartments, or streets in residential areas. Local law enforcement agencies covering the area of the theft recover about 64 percent of all cars stolen within 48 hours; however, an average of 20 percent of all cars stolen are recovered by police departments outside the jurisdiction where the theft occurs. In some of the large metropolitan areas over 50 percent of the automobiles stolen are recovered in another jurisdiction. The recovery information clearly indicates the mobility factor involved in auto theft.

Murder and aggravated assault

Crimes of passion, especially aggravated assault and murder, primarily result from human and social problems. A study made in 1963 of 8,500 willful killings revealed that 31 percent occurred within a family unit and 51 percent resulted from altercations outside the family but usually among acquaintances. Twelve percent, or approximately 1,100, could be identified as felony murder; that is, the victim was killed by a robber, sex offender, or other felon. The remainder of these murders occurred under such circumstances that a specific motive was not determined at the time the information was reported. Victims of murder were almost three to one male and 49 percent of the victims in 1963 were between 20 and 40 years of age. During 1963 the police cleared up 91 percent of the murders by arrest of the offender.

Police officers killed

The felonious killing of police officers and assaults on police acting in the line of duty continue to be serious problems. Detailed information collected on police deaths reveals 168 law enforcement officers have been murdered by criminals during the 4-year period 1960 through 1963. These murders reached a new high in 1963 when 55 local, county, and State police officers were brutally slain. Also to be taken into account were the accidental deaths in the line of duty of an additional 33 officers. Twenty-six percent of the murdered officers were killed while making arrests and transporting prisoners, and 25 percent by armed robbers during the commission of their crime, or who were intercepted by police as they fled the scene. Twenty-one percent of the officers were murdered upon responding to disturbance-type calls and 13 percent by burglars when they interrupted burglaries in progress or in the pursuit of burglary suspects. Eleven percent were killed while investigating suspicious persons or circumstances and the remaining 4 percent were killed by berserk or deranged persons.

The criminal histories of the 219 persons involved in the 168 murders disclose that 79 percent had prior arrests, 73 percent had been convicted of some crime, 53 percent had received prior leniency, and 36 percent were on parole or probation when they became involved in the police killing. Eleven of the persons arrested for these crimes were under 18 and 41 percent were under 25 years of age.

FIREARMS CONTROL

Mr. HOOVER. I hand to the chairman an exhibit which deals with the matter of firearms and the need of some control.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit follows:)

The easy accessibility of firearms is a significant factor in murders committed throughout this country. There is no doubt that better control of firearms is a most desirable objective in correcting this situation. As I have pointed out in the past, the problem of controlling firearms has many ramifications and is so complex that it must start with proper State legislation, properly enforced.

The present Federal law on the licensing and registration of firearms is within the jurisdiction of the Department of the Treasury. It would be unwise, and perhaps futile, for the Federal Government to attempt singlehandedly to achieve effective control over all firearms. This is not to say that Federal legislation is unnecessary or undesirable. A Federal statute could strongly supplement and buttress State legislation and State action on firearms control and would seem to be of value and assistance in at least those States which do set up and administer a strong program of their own.

A study of the 8,500 willful killings reported by the police during the calendar year 1963 points up the problem regarding the easy accessibility of firearms. A firearm was used in 56 percent of these willful killings and the use of a firearm as a weapon was up 4 percent over 1962. In 1963, firearms accounted for 53 percent of the murders in American cities, 62 percent in the suburban area, and 68 percent in the rural area. During the same year, there were almost 60,000 armed robberies and over 22,000 aggravated assaults with a firearm.

The lethal nature of a gun is clearly apparent when the assaults by this type of weapon are examined. This study shows that a gun proves to be seven times more deadly than all other weapons combined.

Information collected as to 168 law enforcement officers murdered by criminals during the 4-year period 1960 through 1963 shows that firearms predominated as the weapon used to commit these murders. Handguns such as revolvers and automatic pistols were used in 131 instances, shotguns and rifles in 31, while the remainder were by other weapons.

These statistics grimly spotlight the problem involved in the easy accessibility of firearms and its influence on willful killings. Surely the public has a right to expect that both the distributor and purchaser of deadly weapons meet certain regulations and qualifications.

STATISTICAL PROGRAM ON CRIMINAL CAREERS

Mr. HOOVER. I present to the chairman two pages of my testimony for insertion in the record, dealing with the preliminary analysis of the new statistical study that we are making, which will probably begin to show hard facts within the course of the next year or year and a half.

Mr. ROONEY. We shall insert those pages at this point in the record.

(The pages follow:)

In January 1963, the FBI initiated a statistical program in an effort to measure the recidivism, mobility, and eventually the success or failure of specific court action and correctional treatment. The cooperative exchange of criminal fingerprint identification data among local, State, and Federal law enforcement agencies makes such a research program on known offenders possible. This program will enable us to obtain additional practical knowledge of these chronic offenders who annually contribute to our mounting crime counts.

This program offers a positive means of identification through the submission of fingerprint cards and as a result the criminal history of the offender becomes known. It is limited to the degree, of course, that the offender is detected, arrested, charged, and fingerprint cards submitted.

The arrest record of each person coming within the purview of Federal law during 1963 has been coded and stored in automatic data-processing equipment. The fingerprint files of these offenders which have been coded into the program

have been flagged so that whenever they are arrested in the future we will incorporate the new data into the program.

Some preliminary analyses of this new information disclose that 75 percent of these offenders had two or more arrests and 25 percent a single charge. Only 7 percent were female. By race 73 percent were white, 25 percent Negro, and 2 percent other races.

In reviewing the records of those who had two or more arrests, it was determined that the average criminal career (span of years from first to latest arrest) was 10 years, during which period the average offender had been arrested four times. According to their criminal histories, 52 percent of these offenders had received leniency during their criminal careers in the form of probation, parole, conditional release, or suspended sentence. Of these, 68 percent received leniency on one occasion, 20 percent twice, and 12 percent three or more times. As a group, these offenders averaged three new arrests after the first leniency action and their career criminal records averaged 12 years and six arrests.

This statistical program is still in the development stage. After an accumulation of 3 to 5 years, it is expected we will be able to provide a measure of the success of court parole and probation actions.

PAROLE, PROBATION AND CLEMENCY ABUSES

Mr. HOOVER. I submit for insertion in the record a page which deals with parole, probation, and clemency abuses.

I want to quote from the late New York City Judge, Alfred J. Talley, of the court of general sessions.

Mr. ROONEY. He was a friend of mine who has been dead for many years.

Mr. HOOVER. Yes, but this was back in 1924 when he said it, and it is more pertinent today than when he said it:

> The demand of the hour in America is for jurors with conscience, judges with courage, and prisons which are neither country clubs or health resorts. It is not the criminals, actual or potential, that need a neuropathic hospital it is the people who slobber over them in an effort to find excuses for their crime.

Mr. ROONEY. I knew Judge Talley very well. We might give you Uncle Joe Cannon, who said:

> I'm thankful the sun and moon
> Are both hung up so high,
> That no pretentious hand could stretch
> And pull them from the sky;
> For if they were not,
> I have no doubt but some reforming ass
> Would recommend to take them down,
> And light the world with gas.

Mr. HOOVER. Very good.

Mr. ROONEY. We shall insert this page at this point in the record.

(The page follows:)

Rehabilitation of criminals is, of course, a most worthy policy and should be energetically supported so long as it is properly administered and carefully supervised to achieve the desired goal. It should not, however, be perverted to mock the humanitarian principles it seeks to serve.

Certainly the rights of law-abiding citizens deserve as much consideration as the rights of convicted criminals and when it becomes a question of deciding between lenient treatment of repeating offenders and the safety of the public, fair play alone demands protection of the public.

EXAMPLES OF LENIENCY TO CONTINUING OFFENDERS

Mr. HOOVER. I hand to the chairman a statement showing examples of leniency to continuing offenders. These cases emphasize the real basis for concern by alarmed citizens who feel that the public's interests deserve at least as much consideration as is given to reapeating criminal offenders.

Mr. ROONEY. We shall insert this statement at this point in the record.

(The statement follows:)

A story all too familiar to alarmed citizens throughout the country made headlines in Washington, D.C., on January 24, 1964, when two District of Columbia police officers were gunned down by two armed robbers. One officer was shot six times and died shortly thereafter. The second policeman was shot once and clubbed over the head by one of the gunmen. One of the bandits was wounded and both were quickly captured. Despite long criminal records, including convictions for armed robbery, both of these gunmen were free on parole when the holdup-murder occurred. Both gunmen were subsequently found guilty of first degree murder, two counts of robbery, assault on a police officer, and carrying a gun. The jury recommended that both be sentenced to life imprisonment.

Another case of considerable public interest has caused residents of the Nation's Capital to ponder the perils of injudicious leniency. In August 1964, citizens of Washington, D.C., congratulated a courageous young Capitol Hill secretary when she singlehandedly captured a man attempting to burglarize her apartment during early morning hours. The congressional secretary awoke when she heard noises caused by the stealthy intruder, grabbed a .22-caliber target pistol she had obtained for just such eventualities and fired one shot at the housebreaker, thereby detaining him until police arrived.

In view of the 17-year-old burglar's prior juvenile record, jurisdiction was waived by juvenile court and the subject was scheduled to be tried as an adult. This prompted a Senator to comment on the floor of the Senate that he was "sure it will be some time before this young man tries to enter any apartment or any other dwelling in this city, or any other city." However, the burglar was released on $5,000 bond.

Many members of the public were, thereafter, quite amazed to read in their newspapers that this same individual had been arrested by the Metropolitan Police Department in Washington, D.C., on September 20, for an almost identical offense. Another young woman had been aroused from sleep by noises of a burglar who immediately fled when detected. The subject, however, was seized by police officers less than an hour later and loot from the burglarized apartment was reportedly recovered from him.

One more shocking case bears mentioning. In September 1962, Anthony Spencer, then 15 years old, was released from a State school for mental defectives in New York after spending time in the institution for setting fire to a couch in his home. He had also been arrested previously as a juvenile for two alleged sex assaults.

In June of 1964, Spencer was arrested for the rape of a 16-year-old girl at knifepoint. Despite Spencer's past record for sexual assault and arson, he was released on $500 bail.

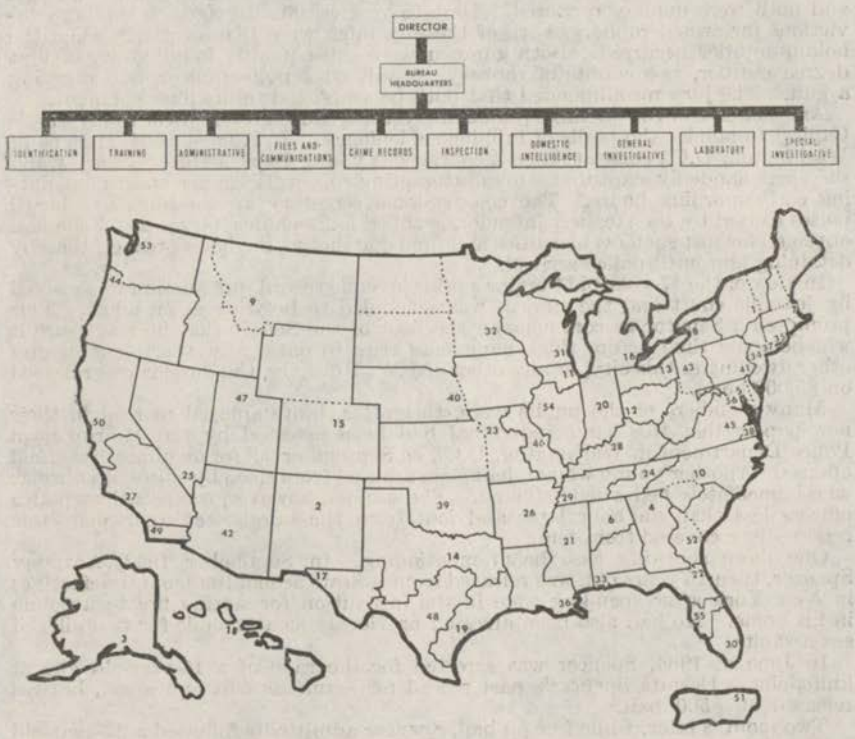
Two months later, while free on bail, Spencer admittedly followed a 22-year-old mother into the elevator of her Bronx apartment building where he raped her in the presence of her 2-year-old son. Spencer reportedly threatened the woman by saying he would cut her son "into pieces" if she resisted. On September 8, 1964, while still free on bail, he allegedly followed an 81-year-old widow into her Bronx apartment where he strangled and raped her. A few days later, his 22-year-old rape victim spotted him on the street and alerted police who took him into custody. Following his arrest, Spencer reportedly admitted the rape-slayings of two women and a number of other rapes throughout New York City. The New York Journal-American, on September 23, 1964, in an editorial entitled "Justice Abused," terms the treatment of Spencer "turnstile justice." "We believe," the article states, "it's time that the public was told just why so many young criminals and terrorists are passed through this turnstile and sent back to the streets to kill, rape, rob, and assault the innocent."

FIELD OPERATIONS

Mr. HOOVER. Turning to our field operations I hand to the committee a chart showing the organization of the FBI and the location of our 56 field offices. They are located throughout the United States and in Puerto Rico. A new office was recently opened at Jackson, Miss. We have in foreign countries eleven liaison posts for quick communication with their opposite number.

Mr. ROONEY. We shall insert this chart at this point in the record.

(The chart follows:)



FBI FOREIGN LIAISON OPERATIONS

Mr. HOOVER. I submit to the committee a chart showing the location of our liaison posts abroad.

Mr. ROONEY. We shall insert this chart at this point in the record.

(The chart follows:)

FBI FOREIGN LIAISON OPERATIONS

The FBI maintains liaison posts abroad in 11 Countries. These offices function in a liaison capacity in connection with criminal and security matters involving the Bureau's domestic responsibilities. In addition, the Bureau belongs to one international security committee and corresponds with police agencies all over the world except in countries controlled by the Communists. In addition to the activities of its representatives abroad, the Bureau exchanges certain types of information with, and where warranted, arranges to have investigations conducted in the U. S. for, law enforcement and intelligence agencies in many other foreign countries on a reciprocal basis.

NUMBER OF FBI REPRESENTATIVES STATIONED ABROAD (EXCLUSIVE OF CLERICAL PERSONNEL)

BERN	1
BONN	2
BUENOS AIRES	1
LONDON	2
MANILA	1
MEXICO CITY	14
OTTAWA	1
PARIS	2
RIO DE JANEIRO	1
ROME	2
TOKYO	2
TOTAL	33

INCREASE IN FIELD INVESTIGATIVE WORK

Mr. HOOVER. The growing volume of our field investigative work is reflected in the 666,982 investigative matters received during 1964 in the overall criminal, civil, and security field. This is an increase of 30,611 matters over the heavy volume experienced during the prior year.

I hand to the committee a chart which shows in graphic form the sharp rise in our investigative work since 1960.

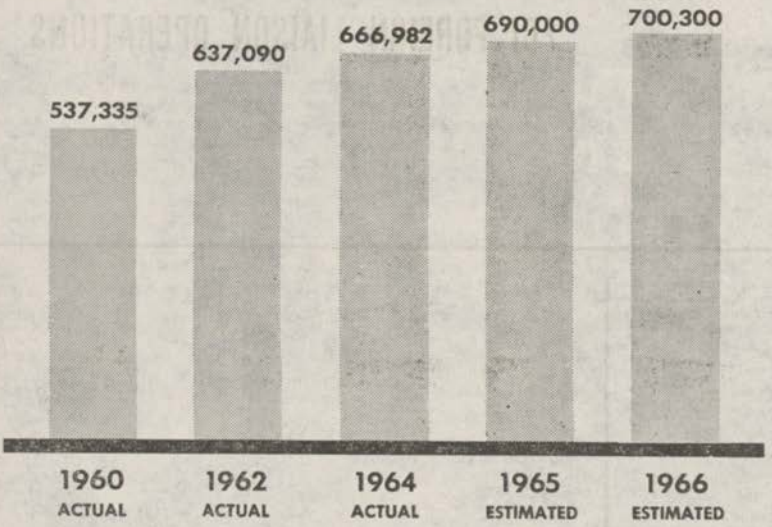
Mr. ROONEY. We shall insert this chart at this point in the record.

(The chart follows:)

INVESTIGATIVE MATTERS RECEIVED

EXCLUSIVE OF REIMBURSABLE APPLICANT WORK

TREND 1960 - 1966



Mr. HOOVER. Our mounting pending workload is another indication of the Bureau's increasing investigative problems. As of February 1, 1965, a total of 126,596 investigative matters were pending with 6 percent in a delinquent status. That does not appear to be a large percentage, but consider the types of crimes that we have to handle immediately and cannot wait 30 or 60 days to investigate. This is true in bank robbery and civil rights cases. If a bank robbery occurs in the morning we cannot wait until evening to find out who did it. A 6-percent delinquency is critical and should not be allowed to go any higher.

The pending volumes during the last several months have reached peaks not witnessed since the time of the Korean crisis in the early 1950's. The average assignment in the field now stands at 23 matters. On January 1, 1964, the average was 22 matters. At the same time in 1960 it was 17. In addition to being an indicator of a growing volume of work, this shows the efforts we have made to absorb a steadily increasing amount of work.

COMMUNIST PARTY OF THE UNITED STATES

I hand to the chairman for insertion the text of my testimony which deals with the Communist Party of the United States and its foreign allegiance to the Soviet Union.

Mr. ROONEY. We shall insert these pages at this point in the record.

(The pages follow:)

It would be difficult to single out any period since the passage of the Internal Security Act of 1950 in which the optimism of the Communist Party, U.S.A.

surpassed that exhibited in 1964. The most important reasons for this optimism were the December 17, 1963, decision of the U.S. Court of Appeals for the District of Columbia reversing the conviction of the party for failing to register under the provisions of the Internal Security Act of 1950 and the subsequent refusal of the U.S. Supreme Court on June 8, 1964, to review that decision.

Following another ruling of the U.S. Supreme Court on June 22, 1964, which declared unconstitutional the passport provisions of the Internal Security Act of 1950, various leaders of the Communist Party in this country promptly announced their plans to travel to the Soviet Union. Since June 1964, several members of the party's national committee, as well as numerous rank and file party members, have obtained passports and have engaged in foreign travel. As you might imagine, most of them headed for the Soviet Union. Several members of the national committee were in attendance, as delegates from the Communist Party, U.S.A., at the celebration of the 47th anniversary of the Russian revolution in Moscow in November 1964. In December 1964, another national leader of the party attended the Congress of the Communist Party of India in that country.

Foreign allegiance

We must never lose sight of the fact that the optimistic Communist Party in the United States is an organization which is under the firm control and guidance of the Soviet Union. It owes allegiance only to the Soviet Union and has served directly and willingly as an adjunct to Soviet policy. This is the only conclusion possible from any objective review of the history of the Communist Party, U.S.A.

Since 1919, when it was organized, the Communist Party, U.S.A. has formulated its policies and altered its tactics either on the basis of specific Soviet instructions or as the result of an almost conditioned response in defense of the Soviet Union—the party's only reason for existence.

The Communist Party, U.S.A., in line with instructions from the Soviets, has made every effort to obstruct all measures which our Nation has taken to defend itself and to strengthen our allies against the threat of further Communist expansion. The party has opposed practically all military, economic and political agreements which we have made with other non-Communist nations throughout the world. At the same time, the party has defended such aggressive Communist actions as the Communist takeover in China and the European satellite nations and the brutal suppression of the uprisings in East Germany and Hungary.

In the Communist Party, U.S.A. the Soviets possess the unique advantage of commanding their own forces behind the lines of the declared enemy and of having the enemy accord such forces the status of legal participants in the quest for political power—even though many of the activities of the Communist Party, U.S.A. are essentially treasonable. To put it bluntly, the Communist Party, U.S.A. looks upon our Government as its enemy which it seeks to overthrow—by forceful means, if necessary.

The central committee of the Communist Party of the Soviet Union in a public declaration on October 15, 1964, announced that Leonid I. Brezhnev had been made First Secretary of the Soviet Party and Aleksey N. Kosygin had been designated Chairman of the Council of Ministers as a result of a decree of the Presidium of the Supreme Soviet. This action resulted in the complete removal from power of Nikita S. Khrushchev.

The leadership of the Communist Party, U.S.A., although confused and embarrassed by this sudden turn of events, blindly continued its unswerving allegiance to the Soviet Union by publicly expressing its complete agreement with the change of regime in the Soviet Union. Actually, these new Soviet leaders have long been in positions of power in the Soviet Communist Party as shown by these charts.

STEPPED-UP PARTY PROGRAMS

Mr. HOOVER. I hand to the chairman the text of my testimony which deals with the stepped-up party programs.

Mr. ROONEY. We shall insert this part of your statement at this point in the record.

(The pages follow:)

The Communist Party in this country in 1964 greatly stepped up its programs designed to increase its membership through the recruitment of youth; to place party leaders on college campuses; to increase the dissemination of its propaganda;

and to create the false impression that it is a legitimate political party by announcing its intention to enter candidates in State and local elections.

All of these activities are carefully designed to inculcate as a part of the normal environment a high regard for the Soviet society and contempt and hatred for the democratic principles of our own social and political organization.

At a meeting in February 1965, of leading party functionaries, party leader Gus Hall stated that the Communist Party, U.S.A. is feared more than any other group because of its strategy and tactics. He remarked that the main tactical emphasis until November 3, 1964, was the defeat of the ultraright; however, the party has now shifted its emphasis to exerting mass pressure to change the course of the Johnson administration.

A party functionary spoke glowingly of the possibilities of doubling party membership in the California area next year, especially in the youth field. He said that the People's World, west coast Communist newspaper, has increased its circulation by at least a thousand new youthful subscribers.

Mr. HOOVER. I also hand to the chairman pages which deal in detail with the more open party activity, the emphasis on recruitment of youth, and the formation of a new youth organization (the W. E. B. DuBois Clubs of America) and public appearances by party leaders.

(Discussion off the record.)

Mr. ROONEY. We shall insert this part of your statement at this point in the record.

(The pages follow:)

MORE OPEN PARTY ACTIVITY

In the belief that the "climate" in the United States is changing rapidly in its favor, the Communist Party, U.S.A. is beginning to open the veil of secrecy that has surrounded it since June, 1961, when the U.S. Supreme Court upheld the order of the Subversive Activities Control Board that the party must register under the provisions of the Internal Security Act of 1950.

Among other things, the party's national committee met in July 1964, for the first time since 1961. Also, a new party program is currently in preparation and party leader Gus Hall has indicated that a national convention of the party will be held in December 1965.

EMPHASIS ON RECRUITMENT OF YOUTH

"Give me a child for 8 years and it will be a Bolshevist forever." These words are attributed to the prophet of world communism, Nikolai Lenin, in a speech made in 1923. Now as a voice from the grave, the Communist Party, U.S.A., a dedicated group of latter-day disciples of Lenin, acts with a determined program to recruit youth into the Communist conspiracy. Regarding our youth as a formless but pliable mass which can be shaped or molded, the Communist Party, U.S.A. has made clear its purpose and interests. The language jargon utilized is directed toward a single aim—the inculcation in young minds of a perverted theological faith in the ideals and objectives of a Communist society.

The Communist Party, U.S.A. plans to launch a recruiting drive to last from April 1, 1965, through July 1965. Emphasis will be directed toward the recruitment of Negro youth.

The party also plans to hold a training school for youth in New York City in the summer of 1965 to give intensive Marxist-Leninist orientation to at least one youth from each party district. Some of these youths will then be sent to other areas to train additional youths. In addition, certain Communist Party, U.S.A. youths will be asked to go to the South during the summer of 1965 to work with civil rights organizations.

FORMATION OF NEW YOUTH ORGANIZATION

Ever since the demise in 1957 of the Labor Youth League, the former youth organization dominated and controlled by the Communist Party, U.S.A., the establishment of another nationwide youth organization has been a goal of the party. A positive step was taken in this direction in late 1963 when Gus Hall ordered the formation of a Marxist-oriented youth organization to attract non-Communists as the first step toward their eventual recruitment into the party. The founding convention of this new youth organization was held June 19–21, 1964, in San Francisco, Calif. The name selected for the new organization was the W. E. B. DuBois Clubs of America, in honor of the late Dr. William E. B. DuBois, a prominent crusader for civil rights who, at the age of 93, joined the Communist Party, U.S.A.

In memorializing the late Dr. DuBois, the new organization apparently hopes to win recognition and support from both domestic and international civil rights proponents, African nationalists, and more particularly the Negro youth of the United States. Following the trend of recent years of playing down the Communist label, the new Marxist youth organization is designed to attract youth interested in peace, disarmament, civil rights, and the like.

PUBLIC APPEARANCES BY PARTY LEADERS

The increased number of public appearances by leaders of the Communist Party, U.S.A. in the last few years, whether it be in the form of press conferences, on radio programs, or on college campuses, is utilized in an effort to project the image that the party is a legitimate political party; to gain increased acceptance and respectability for the party; to generate an atmosphere of good will and understanding; and to spread Communist propaganda.

Since students constitute a primary Communist target group, party leaders in their public appearances continue to concentrate on college and university campuses throughout the country. Over the past 3 school years, party spokesmen have averaged 50 campus appearances each year. Their audiences ranged in size from an intimate 13 to a huge 4,000. The latter number heard Dorothy Healey, a member of the party's national committee, when she spoke in the stadium of the California State College at Los Angeles, Calif., on May 20, 1964. Audiences from 500 to 800 were common.

While almost all of the public appearances of party functionaries before students took place at colleges and universities, several speeches were made at secondary educational institutions.

That some success is achieved by the party in the many appearances of its leaders on college campuses is indicated by the fact that party youth clubs have been established recently at the University of Chicago and the University of California.

Skillfully imparting the Communist line with espousals paralleling Soviet views, party spokesmen made 44 appearances before college groups during the calendar year 1964.

(The exhibit follows:)

Speaking engagements on college campuses by Communist Party leaders, calendar year 1964

School	Speaker	Date
University of California (Santa Barbara campus)	Dorothy Healey	Jan. 13, 1964
Wayne State University	Herbert Aptheker	Feb. 19, 1964
Lake Forest College	David Englestein	Do.
University of Wisconsin	Herbert Aptheker	Feb. 21, 1964
Santa Rosa Junior College	Albert J. Lima	Feb. 28, 1964
University of Wisconsin	James E. Jackson	Mar. 1, 1964
Yale University	Hyman Lumer, Arnold Johnson.	Mar. 15, 1964
Upsala College	Daniel Rubin	Mar. 16, 1964
DePauw University	Gilbert Green	Mar. 17, 1964
New York University	Herbert Aptheker	Apr. 3, 1964
Earlham College	do	Apr. 6, 1964
Harvard University	Elizabeth Gurley Flynn	Apr. 8, 1964
Lycoming College	Arnold Johnson	Apr. 13, 1964
American River Junior College	Albert J. Lima	Apr. 17, 1964
University of New Hampshire	James E. Jackson	Apr. 24, 1964
Shimer College	James West	Apr. 25, 1964
Penn State University	Herbert Aptheker	Apr. 29, 1964
Rutgers Universtiy	Arnold Johnson	Do.
College of San Mateo	Albert J. Lima	Apr. 30, 1964
Amherst College	Herbert Aptheker	May 4, 1964
College of San Mateo	Albert J. Lima	May 5, 1964
University of Las Vegas	Dorothy Healey	May 6, 1964
Union University	Herbert Aptheker	May 8, 1964
University of Wisconsin	Claude Lightfoot	May 10, 1964
Brown University	Elizabeth Gurley Flynn	May 11, 1964
Wake Forest College	George Meyers	May 13, 1964
City College of New York	William Patterson	May 15, 1964
Stanford University	Albert J. Lima	May 19, 1964
California State College	Dorothy Healey	May 20, 1964
San Jose City College	Albert J. Lima	May 28, 1964
San Francisco State College	Henry Winston	Sept. 28, 1964
University of California	do	Do.
Reed College	do	Oct. 7, 1964
Portland State College	do	Oct. 9, 1964
University of Washington	do	Oct. 12, 1964
University of Wisconsin	do	Oct. 21, 1964
University of Hawaii	Gus Hall	Oct. 23, 1964
Oberlin University	Henry Winston	Oct. 24, 1964
University of Buffalo	Herbert Aptheker	Nov. 13, 1964
State University College (Cortland, N.Y.)	do	Nov. 17, 1964
Western Reserve University	Hyman Lumer	Dec. 3, 1964
Syracuse University (Utica, New York branch)	Herbert Aptheker	Dec. 8, 1964
Miami University (Oxford, Ohio)	do	Dec. 11, 1964
University of Wisconsin	Fred Blair	Dec. 13, 1964

PROPAGANDA AND POLITICAL ACTIVITIES OF THE COMMUNIST PARTY

Mr. HOOVER. I hand to the chairman pages of my testimony for insertion in the record, dealing with propaganda and political activities of the Communist Party.

Mr. ROONEY. We shall insert these pages at this point in the record.

(The pages follow:)

PROPAGANDA

The Communist Party, U.S.A. continually makes strenuous efforts to increase and expand the distribution and consumption of its literature. James Allen, a member of the party's national committee, remarked at a meeting of the party's New York staff in May 1964, that sales of party publications had increased 7 percent nationwide.

This increase is important since the Communists consider their press and publications to be the most important and effective vehicle for agitation and propaganda. Through the dissemination of newspapers, books, pamphlets, leaflets, and other printed matter, the party indoctrinates its members and sympathizers and is able to reach and propagandize the non-Communist masses.

The major Communist bookstores operating in the United States at this time are the Jefferson Bookshop in New York City; New World Book Fair, Philadelpha; New Era Bookshop, Baltimore; Global Books, Detroit; Modern Bookstore, Chicago; Mary's Bookshop, Milwaukee; International Books, San Francisco; and the Progressive Bookshop, Los Angeles.

POLITICAL ACTIVITIES

In regard to the increased political activity of the leaders of the Communist Party, U.S.A., while party leaders would rejoice over a successful campaign by a Communist, they also look to this activity to obtain other benefits. In addition to affording opportunities to assert that the party is a legitimate political party and to lending the party an aura of respectability, this activity provides publicity and reduces the party's isolation from the mainstream of society. It enables them to influence vital issues of the day; to distribute propaganda; to present the party program to the electorate; and to advance the cause of communism.

Some persons may not believe that a Communist could reach a position of responsibility in Government through the election process. They have only to consider the thousands of votes cast for William Cottle Taylor, vice chairman of the party's southern California district, who publicly identified himself as a Communist while running in the California primary as an independent candidate for the Board of Supervisors of Los Angeles County. Although Taylor was defeated, he rolled up an impressive 33,576 votes, or some 13 percent of the total vote cast for this office on June 2, 1964.

BLACK MUSLIMS AND STUDENT DEMONSTRATIONS AT UNIVERSITY OF CALIFORNIA

Mr. HOOVER. I hand to the chairman pages which deal with Communist matters and another document on student demonstrations at the University of California at Berkeley.

I also hand you an exhibit which deals with the Black Muslim organizations.

Mr. BOW. Mr. Chairman?

Mr. ROONEY. Yes, Mr. Bow.

Mr. BOW. Are you going to give us more information on the Black Muslims?

Mr. HOOVER. I had not intended to but I will be glad to read this if you want me to do so.

Mr. ROONEY. Mr. Bow, before we get into that, may I suggest that we insert in the record these pages together with the exhibit on student demonstrations at the University of California at Berkeley as well as this document with respect to the Black Muslim groups.

(The pages follow:)

COMMUNIST INFLUENCE IN RACIAL MATTERS

The ever-increasing evidences of racial unrest in the country during the past year have witnessed a parallel in the increased emphasis being placed by the Communist Party, U.S.A. on the Negro question and the racial movement generally. There are clear-cut evidences that the party has not only been "talking," but also has been directing and urging the increased participation by its adherents in the racial movement. As in any similar party effort at infiltration, where there is participation there is influence in varying degrees.

These party efforts, though embellished with high-sounding expressions by party leaders, claiming a sincere interest in the Negro and his problems, are, in reality, just another of the great deceptions practiced by the party through the years. Theirs is only a single aim; namely, the gaining of Communist objectives looking toward the ultimate goal of the spread of communism throughout the United States. The racial unrest, then, offers the party a ready-made springboard from which it is able to project its strategy and tactics.

The past year found the party devoting maximum attention to its efforts to influence civil rights developments. Always alert to exploit discontent and promote disorder, the party continued to regard the civil rights issue as one facet of the class struggle within the capitalist system. With this Marxist-Leninist analysis as a guide, the party has as an objective the use of the civil rights issue to create a Negro-labor coalition which it would dominate to advance the cause of communism in the United States. As in the words of the party's general secretary, Gus Hall, "Jim Crow can be dealt with only by dealing with capitalism."

The party's involvement in the racial situation is intended to also serve in the all-important task of recruitment. In early June 1964, the party's national headquarters proposed that headquarters be opened in major cities for the purpose of holding forums. The objective, as explained by a party functionary, is to organize special study groups to teach "socialism" and thus make it possible for the party to recruit members from among civil rights fighters.

BLACK MUSLIM GROUPS

Through our responsibility to be aware of the formation of organizations which might require investigative attention to determine whether these organizations are engaged in activities in violation of any Federal statutes, various Negro organizations have come to our attention over the years. These include such organizations as the Nation of Islam, frequently called the Black Muslims, some members of which have refused to register under the provisions of the Selective Service Act, and the Revolutionary Action Movement, a highly militant, secretive organization which believes in replacing the capitalistic system with socialism.

Such activities require coverage and add to our work.

The Nation of Islam (NOI), an all-Negro, violently antiwhite organization, which is frequently referred to as the Black Muslims, teaches complete separation of the races; economic independence for the so-called Negro; and the black man in the United States will in the future own and occupy a separate black nation.

The national headquarters of this organization is located in Chicago, Ill., and its leader is a Georgia-born Negro who calls himself Elijah Muhammad who claims to have been selected by Allah, the Supreme Being, to lead the so-called Negro out out of slavery. Muhammad and some other members of the NOI have refused to register under the provisions of the Selective Service Acts declaring that members of the organization owe no allegiance to the United States.

Members of the NOI have continuously been involved in violent conflict with local police. These altercations have resulted in injury to both NOI members and the local police officers.

The membership of the NOI has been estimated at 6,100 persons. However, the membership is decreasing as a result of the recent publication of charges filed against Elijah Muhammad asking support for illegitimate children. These charges indicate that Muhammad is the father of the children and the women have been employed as his secretaries. The disputes within the NOI have resulted in the formal organizing of splinter groups. One such group was formed by Wallace Muhammad, son of Elijah Muhammad, and was known as the Afro-Descendant Upliftment Society. This group has ceased to exist and Wallace Muhammad has been reaccepted by the NOI.

The Muslim Mosque, Inc. (MMI), was formed in March 1964, and headed by Malcolm X Little, former national functionary and leading spokesman of the NOI, until Little's murder on February 21, 1965. The MMI is also an all-Negro, violently antiwhite organization. The MMI, according to the statements of its former leader, advocates entrance into the civil rights movement in the United States and the formation of rifle clubs by Negro groups for the purpose of self-defense where the Federal Government will not afford adequate protection to civil rights demonstrators. The MMI also advocates the formation of Mau-Mau-type guerrilla bands to obtain Negro rights. This organization teaches a Muslim religion.

The national headquarters of this organization is located in New York City. Efforts are being made to organize branches in various cities, including Boston and Philadelphia.

Members of the NOI and the MMI have engaged in altercations mainly arising out of the belief that the NOI has "declared war" upon the MMI and Little. This is a result of public utterances by Little indicating that Elijah Muhammad is the father of illegitimate children.

Little was shot and killed on the afternoon of February 21, 1965, while speaking at a meeting of the Organization of Afro-American Unity. The New York City Police Department has arrested Talmage Hayer, Thomas Johnson, and Norman Butler in connection with this murder and is seeking others believed to have been involved. Hayer was previously arrested on November 8, 1963, and charged with receiving stolen goods in connection with the theft of firearms from the Liberty Firearms Co., Passaic, N.J. He was released on $3,500 bail. This matter is still pending in the courts. Sources of this Bureau have identified Hayer as a member of the Nation of Islam who attended meetings as recently as 2 months ago. Butler and Johnson were also previously arrested, in New York City, as a result of the shooting on January 6, 1965, of Benjamin Brown. Brown had defected from the Nation of Islam and had set up a Muslim worship hall.

Butler and Johnson have been described as "enforcers" of Nation of Islam Temple No. 7 in New York City. At the time of their arrest in connection with the shooting of Little both were out on $10,000 bail in connection with the shooting of Brown.

Organization of Afro-American Unity (OAAU): The formation of this organization was announced in June 1964, by its then leader Malcolm X Little. The purpose of the OAAU is to bring before the United Nations the existing problems of the Negro in the United States. Membership of the OAAU is made up of members of the MMI, plus other individuals who do not desire to become involved in the religious teachings of the MMI.

Headquarters of the OAAU is located with the MMI headquarters and the same individuals direct both organizations.

Revolutionary Action Movement (RAM) is described as a highly militant, secretive organization following the Chinese-oriented Marxist-Leninist line and believes in replacing the capitalistic system with socialism. This group reportedly has a collective leadership representing Boston, Mass.; Chicago, Ill.; Cleveland, Ohio; and Detroit, Mich.

According to information we have received, RAM either follows or believes in the writings of Robert Franklin Williams, a Bureau fugitive currently residing in Cuba. Williams has visited Red China. In August 1961, Williams and others were charged with kidnaping a white couple at Monroe, N.C., during a racial incident. He fled to Cuba, where he has established a publication identified as "The Crusader" which advocates that Negroes arm themselves and fight violence with violence.

Although no timetable is known, RAM allegedly has its program organized into three stages, the first one being education and recruitment. The second stage is one of expropriation whereby efforts will be made to secure sufficient funds for the organization. This will include robbery and other means, legal or illegal. The third stage will be one of direct action whereby the present system of government will be replaced by RAM's Chinese-oriented society, to be accomplished by any means available.

Another militant Negro organization is known as the Black Liberation Front. Members of this organization were involved in the conspiracy to destroy through the use of explosives several of our national monuments. Robert Steele Collier, a Negro, is the self-styled leader of this organization which has only a handful of members.

The joint investigation by the FBI and the New York City Police Department into the conspiracy to dynamite three symbols of liberty and freedom in the United States—the Statue of Liberty in New York City, the Liberty Bell in Philadelphia, and the Washington Monument in Washington, D.C.—led to the arrest on February 16, 1965, by the police and the FBI of three Negro men, Robert Steele Collier, Walter Augustus Bowe, and Khaleel Sultarn Sayyed; and Michelle Duclos, a white woman from Canada. A quantity of dynamite and blasting caps was also recovered. All were charged with conspiring to destroy Government property. The New York City Police Department also charged Robert Collier with the unauthorized possession of explosives. All are awaiting further prosecutive action.

Collier, in 1964, traveled to Cuba in a group under the auspices of the Student Committee for Travel to Cuba in violation of a U.S. Department of State ban on such travel. Another of the Negro men, Walter Augustus Bowe, has been a supporter of the Fair Play for Cuba Committee and Fidel Castro.

MEMBERSHIP

Leaders of the Communist Party, U.S.A. continue to publicly place the party membership in this country at 10,000, as, for example, in May, 1964, when Albert Lima, leader of the party's northern California district, used this figure when speaking before an audience of approximately 3,000 at the College of San Mateo, San Mateo, Calif.

There are, of course, thousands of other individuals who are not actual members but stand ready to aid the hard core membership. Party leader Gus Hall himself at a press conference on October 26, 1964, placed the membership at approximately 10,000 with 90,000 close sympathizers. The latter group, according to Hall, comes under the Communist Party influence and is growing to the party's satisfaction.

Encouraged by recent court decisions which the party considers major victories in its efforts to nullify the Internal Security Act of 1950, and convinced that a large segment of the population is ready to accept some form of socialism as a

cure for domestic problems, such as civil rights and poverty, the party has streamlined its structure in preparation for operating more openly. Through its stepped-up programs, the party, of course, hopes that numerous Americans will become lulled by the mass of high-sounding Communist propaganda and eventually lose perspective of the issues involved and gravitate to the party.

SECURITY MEASURES

Although party members are being urged to speak out more freely about their beliefs and about Marxism-Leninism, the party has given no indication that it intends to abandon its use of security measures. In most parts of the country, party members continue to employ safeguards to protect their identity and party meetings are still held under clandestine conditions.

INFORMANT PROGRAMS

I am pleased to advise the committee that despite the many urgent investigative problems confronting us in other fields of endeavor and despite the security measures employed by the Communist Party, U.S.A., our overall coverage of the party continues to improve.

STUDENT DEMONSTRATIONS, UNIVERSITY OF CALIFORNIA AT BERKELEY, FALL OF 1964

Demonstrations at the University of California were initiated October 1, 1964, by a small group of students who formed an organization called the Free Speech Movement (FSM) which demanded the right to engage in political activities on campus in local, State, and National elections in violation of university regulations.

Demonstrations continued through October and November in spite of overtures and concessions by the university administration to the demands of the demonstrators. In this regard, on November 20, 1964, the board of regents endorsed a recommendation of the faculty committee that eight suspended students be reinstated and that soliciting of off-campus activities and funds be allowed on a modified scale. However, when the regents stated students would be held responsible for their activities on campus which would lead to "unlawful" off-campus deeds, the FSM immediately denounced the regents' ruling and continued sit-ins.

On December 2, 1964, approximately 1,000 demonstrators gathered in Sproul Hall, University of California, and refused to leave, resulting in Governor Brown of California issuing orders to arrest those who refused. Accordingly, at 3:45 a.m., December 3, 1964, over 600 police officers arrested 780 demonstrators who refused to leave Sproul Hall. The arrests were without violence or injuries.

Mario Savio, student leader and spokesman for FSM and the demonstrators, has a previous arrest record for sit-in demonstrations. During the period November 10–14, 1964, Savio was on a speaking tour of colleges in the Midwest and East seeking financial support for the arrested students. A close adviser who accompanied him on this tour was Bettina Aptheker, member of the W. E. B. DuBois Club of Berkeley (a Marxist-oriented youth organization) and daughter of Herbert Aptheker, publicly identified in the Communist newspaper, The Worker, in its issue of July 30, 1961, as a member of the National Committee of the Communist Party, U.S.A.

Individuals with subversive backgrounds who participated in the demonstrations included 5 faculty members and 38 individuals who were students or connected with the University of California in some capacity.

This is another example of a demonstration which, while not Communist originated or controlled, has been exploited by a few Communists for their own end. In this instance, a few hundred students contain within their ranks a handful of Communists that mislead, confuse, and bewilder a great many students to their own detriment.

Communist Party leaders feel that based on what happened on the campus of the University of California at Berkeley, they can exploit similar student demonstrations to their own benefit in the future.

Mr. HOOVER. Do you want me to read this?

Mr. BOW. Either that or briefly tell us something about the Black Muslim organization and Malcolm X. What is going on? You can do this off the record if you want.

I would like to know a little more about what is going on.
(Discussion off the record.)
Mr. Bow. Thank you very much.
Mr. ANDREWS. Off the record, please.
(Discussion off the record.)

TELEPHONE TAPS

Mr. HOOVER. In carrying out our investigative responsibilities, we have 44 telephone taps in operation. Each must be authorized in advance and in writing by the Attorney General. Their use is highly restricted—that is, only in matters in which the internal security of the country is involved, and in kidnaping and extortion violations where human life is in jeopardy. All those now in operation fall in the internal security category. I think 44 is extremely low for the coverage we have to give. You will hear statements publicly that the FBI has thousands of telephones tapped throughout the country. That is absolutely untrue.

PROSECUTIONS UNDER SMITH ACT, 1940 AND INTERNAL SECURITY ACT, 1950

I hand to the chairman for insertion in the record two exhibits.
Mr. ROONEY. We shall at this point insert in the record these exhibits.
(The material follows:)

PROSECUTIONS UNDER THE SMITH ACT OF 1940

CONSPIRACY CASES

From 1949 to 1956, 104 leaders of the Communist Party, U.S.A. were convicted of conspiracy to organize as the CPUSA a group of persons who teach and advocate the violent overthrow of the U.S. Government and of conspiracy to teach and advocate such violent overthrow.

The U.S. Supreme Court on June 7, 1957, held in one case that since the CPUSA was organized in 1945, any indictment returned subsequent to 1948 which charged the defendants with organizing the CPUSA was void under the statute of limitations. The decision further held that the Government had failed to establish that the teaching and advocating of violent overthrow of the Government by the defendants went beyond the "abstract theory" stage and actually "incited to action."

As a result of this Supreme Court decision, most of the defendants who had been convicted for conspiracy to violate the act were either acquitted or ordered retried. The indictments against the defendants who were ordered retried were subsequently dismissed at the request of the Government since available evidence did not meet the standards set by the court relative to "incitement to action." The last outstanding indictment against six former functionaries of the party at Denver, Colo., was dismissed on November 12, 1964. In June 1962, the Smith Act was amended to clarify the term "organize" but the act continues to be ineffective because of the second part of the Supreme Court decision pertaining to "inciting to action." Legislation aimed at circumventing the "incitement to action" aspect of the decision has been introduced in several sessions of Congress but has not been enacted.

MEMBERSHIP CASES

In addition to the 104 conspiracy convictions, 5 other party leaders were convicted for violating the membership provision of the act.

On June 5, 1961, U.S. Supreme Court decisions held that, to sustain a conviction under the membership provision of the act, the Government must not only prove that the defendant is an "active" and "knowing" member of an organization, which advocates the violent overthrow of the Government, but must also prove specific intent by the defendant to accomplish the aims of the organization as speedily as the circumstances will permit.

As a result of these decisions, one convicted member, who served 15 months, had his 6-year sentence commuted; another conviction was reversed by an appellate court; the indictments against two others were dismissed at the request of the Government; and the remaining conviction was reversed on another ground and the indictment dismissed at the request of the Government. Outstanding indictments against nine others, including seven defendants in the first conspiracy trial, were also dismissed.

Prosecutions Under the Internal Security Act of 1950

PROSECUTION OF PARTY AS AN ORGANIZATION

On June 5, 1961, after more than 10 years of hearings and judicial review, the U.S. Supreme Court upheld the constitutionality of the registration provision of the act.

The registration order of the Subversive Activities Control Board became final on October 20, 1961, but the November 20, 1961, deadline for the party as an organization to register with the Attorney General passed without compliance—as did the deadline of November 30, 1961, for the officers of the party and the December 20, 1961, deadline for individual members.

On December 17, 1962, the party was found guilty under a 12-count indictment charging it with failure to register as a Communist-action organization. The maximum fine of $120,000 was imposed. This was appealed and on December 17, 1963, the court of appeals reversed the lower court on the ground that the fifth amendment privilege against self-incrimination was available to the officers of the party as legal justification for refusing to sign the registration forms. The court of appeals also held that the burden of proof rested with the Government to establish that "someone" was willing to sign the registration forms on behalf of the party, and if such a "volunteer" could not be produced, the indictment should be dismissed.

On January 21, 1964, the Government filed a petition requesting that the court of appeals hear the matter sitting en banc. The court on February 21, 1964, denied the petition and on June 8, 1964, the U.S. Supreme Court denied a Government petition to review the court of appeals decision. On February 25, 1965, the Federal grand jury, Washington, D.C., reindicted the party for failure to register. Retrial of this case is set for October 1965.

PROSECUTION OF OFFICERS

On March 15, 1962, individual indictments were returned against party leaders, Gus Hall and the late Benjamin J. Davis, Jr., charging them with failure to register for the party and with failure to file the registration statement. On September 25, 1963, the district court ordered the trials consolidated and then postponed hearings on motions to dismiss and setting of a trial date pending a final decision in the registration case against the party as an organization.

On August 22, 1964, Davis died of cancer and on October 9, 1964, the Government moved to dismiss the indictment against him.

PROSECUTION OF PARTY MEMBERS

Since May 31, 1962, the Attorney General has petitioned the Subversive Activities Control Board to order 25 members of the party's national committee and 19 additional party officials on a lower level to register as party members under the act. The Board has ordered 37 to register and the remaining 7 cases are under consideration by the Board.

Two membership registration cases have been consolidated for purposes of appeal. On April 23, 1964, the court of appeals upheld the registration order of the Board. This was appealed on July 13, 1964, to the Supreme Court.

PASSPORT SANCTION

Under the section of the act proscribing members of the party from applying for, using, or attempting to use a U.S. passport, the Secretary of State, after hearings before a State Department Passport Board, ordered the passports of the late Elizabeth Gurley Flynn and of Herbert Aptheker revoked. These individuals filed a civil action to enjoin the passport revocation.

The court of appeals upheld the Government's action but the U.S. Supreme Court on June 22, 1964, held that that portion of the act relating to the passport

sanction was unconstitutional; that the right to travel is protected by the due process clause of the fifth amendment; and that the passport sanction "sweeps too broadly and indiscriminately over this liberty."

As a result, there is no restriction on the issuance of passports to the party and the Department has declined prosecution on approximately 75 cases which had been referred as possible violations under the passport sanction. Two indictments previously obtained will undoubtedly be dismissed.

As a further result of this decision, several leading Communist Party officials have obtained U.S. passports for foreign travel. Most of them proceeded directly to the Soviet Union.

DEFENSE EMPLOYMENT SANCTION

Another section of the act prohibits the employment and the like of a party member in a defense facility designated by the Secretary of Defense. The Bureau referred approximately 30 cases to the Department as possible violations.

On May 21, 1963, Eugene Frank Robel, of Seattle, Wash., was indicted under this section. Robel returned to his job following his release on bond. Further prosecutive steps have not been taken, it being noted that recent court decisions such as the Supreme Court decision on the passport sanction will have a bearing on whether or not the *Robel* case ever goes to trial.

Mr. HOOVER. I hand to the chairman several additional pages.

Mr. ROONEY. We shall insert these pages at this point in the record.

(The pages follow:)

MINUTEMEN ORGANIZATION

We have long been aware of the Minutemen organization and our investigation is continuing. The headquarters of this organization is located at Norborne, Mo., and it is headed by Robert DePugh. Our investigation aims to determine the locations of units of the organization; the identities and backgrounds of the officers of each unit as well as the principal active members of each unit; whether the activities of the organization are in violation of any Federal statutes over which the Bureau has investigative jurisdiction; and whether the organization or its members pose a threat to the life of the President or other Government officials.

Minutemen claims its primary purpose is to prepare its members to overthrow the Government of the United States in the event the Government is taken over by the Communists. DePugh has said that members of his organization are reading each issue of various "leftwing" periodicals to obtain names of suspected Communists and fellow travelers.

He also has advised special agents of the FBI that the prime purpose of the Minutemen is intelligence gathering, in order that they can alert the American people to the efforts being made to socialize the United States. He has stated that many Minutemen are infiltrating "liberal and leftwing" organizations for this purpose.

DePugh has also said that the Minutemen as an organization does not buy or store arms, but individual members maintain whatever arms and ammunition they purchase with their own personal funds "which is their constitutional right." He has stated that his organization will stress "infiltration" of opposing groups, and turn to armed revolt only as a last resort. He has said that "we feel that with the use of intelligence, security, propaganda, and infiltration we can turn our enemies weapons against themselves." He has stated that the Minutemen advocate "armed resistance only when it has become very apparent to all the people that Communists or Fascists have overtaken the Government and all the people themselves are willing to support an armed revolution."

In March 1963 the monthly newsletter of the Minutemen organization entitled "On Target" referred to 20 U.S. Representatives in Congress as Judases and traitors because they had voted against increasing funds for the House Committee on Un-American Activities.

This newsletter repeatedly employs a rhetoric of violence. For example, another portion of this newsletter carried the statement "Traitors beware! Even now the crosshairs are on the back of your necks."

Our investigation indicates this organization is a loose federation, with each unit acting independently and lacking any real central control. Its numerical strength is probably greatly exaggerated. DePugh is the only known leader of the group. He is, therefore, its sole spokesman and some of the things he says are, indeed, hard to believe.

DePugh, for example, avoids the responsibility of trying to prove that all he says of the Minutemen, their activities, or their size is true. While he has placed the membership in the Minutemen at "more than 25,000," there is little real evidence that the Minutemen are anything more than essentially a paper organization, with just enough followers over the country so they can occasionally attract a headline, usually because of their preoccupation with violence, or weapons of war.

We have penetrated this organization, and our sources are keeping us advised of developments.

The results of our investigation are being furnished on a continuing basis to the Department of Justice, the military intelligence agencies, and the Secret Service.

CONCLUSION

The Communists work untiringly to change our form of government while, at the same time, they attempt to be accepted as legitimate partners in our society and to achieve respectability. Not only young people, but all Americans should be cognizant of the party's propagandizing and should be alert to the falsities of the Communist claims. Nothing can defeat this Communist propaganda offensive more quickly than the truth. This does not mean that we must merely counter communism. We must at the same time deepen and enrich our own heritage of freedom.

Party leaders would hope that this country would consider the party strength here to be insignificant. It would be fateful to so consider it. The party in this country is operated by a corps of hardened, disciplined Communists who feel that Moscow represents the final goal of all mankind's hopes. The influence of the party is far greater than its size would indicate and the small band of openly admitted Communists is bulwarked by the innumerable inactive party members who are patiently waiting for such events as the complete defeat of the Internal Security Act of 1950. These individuals have not disclaimed the party and, as legal restrictions are removed, many of those now sitting on the sidelines can be expected to move back into action.

The reaction of the Communist Party in this country to the recent retaliatory airstrikes in North Vietnam by U.S. Navy aircraft for mortar attacks on U.S. bases in South Vietnam is a most timely example of the unification of the Communist movement in this country. Within minutes after the attacks were announced, Arnold Johnson, the party's public relations director, issued a press release which bitterly condemned the airstrike as "an act of brutal aggression which horrifies the world." The American people were urged to speak out and demand that the U.S. withdraw all troops from South Vietnam. Telegram campaigns were organized and protest demonstrations were urged. Other groups, such as the W. E. B. DuBois Clubs, the youth group formed by the party, supported the party in the protest action.

The devious hand of the Communists also appeared on the turbulent campus of the University of California at Berkeley, which has been constantly disrupted with "student demonstrations" over the past months. On February 8, 1965, about 1,300 demonstrators protested U.S. intervention in Vietnam. Speakers, condemning the United States for starting the war in Vietnam, included Herbert Aptheker, a member of the National Committee of the Communist Party, U.S.A., and other party members who "just happened to be there." All speakers urged their listeners to more direct action and called for a demonstration at the New Federal Building in San Francisco.

At Madison, Wis., at the University of Wisconsin, a similar protest meeting held by students and faculty members was led by individual students and faculty members, some of whom have Communist backgrounds. One of these was Daniel Friedlander, who is active in the DuBois Clubs in Madison.

The major lesson to be learned from all this is that the Communists and their supporters in this country are not a weak, insignificant element on the American scene. The wave of demonstrations which erupted on a national scale immediately following news of the U.S. counterstrike against Communist forces in Vietnam demonstrates how unified, organized, and powerful an element the Communist movement in the United States is today. While many of the demonstrations were organized by legitimate, sincere pacifist groups, Communists and their supporters also organized a number of demonstrations and are attempting to exploit to their own benefit the activities of the legitimate organizations.

ESPIONAGE AND COUNTERINTELLIGENCE

Mr. HOOVER. In regard to espionage and counterespionage operations, we differentiate between these activities and those of the Communist Party, U.S.A. The Communist Party, U.S.A. is made up mostly of U.S. citizens.

The subversive role of the Communist Party, U.S.A. is but one aspect of the Communist threat to the internal security of our Nation. The other is the espionage and intelligence attacks mounted against this country by the Communist-bloc countries. Underlying both aspects of the threat to our internal security from the international Communist movement is the fact that we are competing with a totalitarian system, intent on our destruction, which operates the most extensive networks of subversion and espionage ever developed in history.

In regard to the Communist bloc espionage attack against this country, there has been no letup whatsoever.

SOVIET ESPIONAGE TARGETS AND OBJECTIVES

Though seeking any and all information which may be utilized to weaken the United States or implement their plan of world communism, the Soviet intelligence services have placed special emphasis on such targets and objectives as:

1. Penetration of U.S. intelligence and counterintelligence agencies.
2. Penetration of other governmental agencies.
3. Collection of data concerning scientific and technical developments of any and all types.
4. Collection of data of military interest ranging from information concerning atomic submarines to the location of missile and radar bases.
5. Collection of data concerning those industries closely concerned with America's defense efforts.

(Discussion off the record.)

USE OF OFFICIAL PERSONNEL

Mr. HOOVER. I submit to the chairman a page which shows the use of official personnel by the Soviets for intelligence purposes.

Our Government is about to allow them to establish consulates in many parts of the country which, of course, will make our work more difficult.

Mr. ROONEY. Do you think the advantages in cultural exchange will more than offset these disadvantages?

Mr. HOOVER. We have found in practically every cultural exchange group or student group that has come to this country, there is always a member of the KGB, the intelligence service of the Russian Government. They are called students but some are 36, 37, or 38 years old.

Mr. ANDREWS. They are never too old to learn.

Mr. HOOVER. They are never too old to learn. Even the athletic teams that participated in the Olympics had two or three intelligence officers to maintain discipline and prevent defections. Nevertheless, there have been some defections.

Mr. ROONEY. They covered the Bolshoi Ballet; do they not?

Mr. HOOVER. Yes.

Mr. ROONEY. We shall insert this page at this point in the record.

(The page follows;)

The methods used to collect the data sought by the Communist-bloc intelligence services are almost as varied as the types of data which they endeavor to collect. One of their mainstays is the collection of information—classified and otherwise—through espionage operations involving personnel legally assigned to official Soviet and satellite establishments in the United States. The focal points of these operations continue to be the United Nations and the Communist embassies, legations, consulates and news or commercial agencies in our country. Such gathering of information is conducted by the Communist representatives using the legal cover of their diplomatic or other official status to cloak their spying activities.

SOVIET BLOC OFFICIAL PERSONNEL

Historically, the Soviet intelligence services have appropriated the great bulk of official positions abroad, primarily using their official representatives and diplomatic establishments in other countries as bases from which to carry on their espionage operations.

As of February 1, 1965, there were 843 Soviet-bloc official personnel stationed in the United States, accompanied by 1,173 dependents, many of whom have espionage potential.

This does not include those official Soviet-bloc representatives and their dependents who are temporarily in the country, such as couriers, members of special delegations, and the like. As of February 1, 1965, there were 907 individuals from the Soviet bloc in this country which fall in this category.

(Discussion off the record.)

Mr. HOOVER. I hand to the chairman a page which deals with new Soviet consulates and the transmission belts for Soviet-bloc official personnel.

Mr. ROONEY. We shall insert this information at this point in the record.

(The page follows:)

NEW SOVIET CONSULATES

Long seeking greater official representation in the United States which would be more widely spread over the country, a cherished goal of the Soviet intelligence services was realized when the United States signed an agreement with the Soviet Union on June 1, 1964, providing for the reciprocal establishment of consulates in our respective countries.

One Soviet intelligence officer in commenting on the agreement spoke of the wonderful opportunity this presented his service and that it would enable the Soviets to enhance their intelligence operations.

TRANSMISSION BELTS FOR SOVIET-BLOC OFFICIAL PERSONNEL

In involving the great bulk of their official personnel in intelligence activity in one way or another, the Soviets utilize to the fullest extent possible any and all official means such as the United Nations, trade delegations, and the like, as transmission belts to carry additional intelligence personnel into this country. Here are some examples to illustrate this fact.

Mr. HOOVER. East-West Exchange Program—The numerous Soviet scientific delegations which arrive in the United States to tour U.S. universities and scientific establishments invariably have among their members Soviet scientists who have been given special assignments by the KGB. It is established Soviet policy that among such groups are one or more full-time KGB officers who are in charge of the delegations.

Upon returning, Soviet scientists who have visited the United States under the exchange program are required by the KGB to submit comprehensive reports on the technical aspects of their trip,

including descriptions of installations visited, research being conducted and the status of particular projects. They must also submit reports concerning Americans contacted for possible future use by the KGB.

Students—As to the students, many of the Soviet exchange students attending colleges and universities in the United States are utilized as agents by the KGB. Having the responsibility of obtaining any information of intelligence interest, they photograph (or deliver to their KGB superiors for photographing) documents and scientific papers to which they have access as students.

Of the Soviet students in the United States for the school term beginning in the fall of 1964, over 20 percent were suspected of being agents with specific KGB assignments or officers of the Soviet intelligence services.

Press representatives—Press cover is tailored for the intelligence work of the Soviets. They are in a business in which they are expected to be where news is developing, to meet those persons having intimate knowledge, to ask questions and to seek information.

As of February 1, 1965, over half of the Soviet nationals posing as press representatives in the United States were known to be intelligence agents.

Amtorg Trading Corp.—Disguising their intelligence personnel as legitimate trade representatives has long been a tactic of the Soviet intelligence services. The official cover utilized enables such personnel to travel extensively and meet many persons associated with fields of special intelligence interest.

Over half of the Soviet nationals employed by the Amtorg Trading Corp. in New York City on February 1, 1965, were known or suspected to be actually connected with the Soviet intelligence services.

United Nations—Fully exploiting their diplomatic immunity, freedom from travel restrictions and the respectability enjoyed as members of an international organization dedicated to world peace, the Soviet intelligence services have continued to increase their use of employment with the United Nations as a cover for their espionage personnel.

On July 1, 1960, there were 32 Soviet official personnel assigned to the United Nations Secretariat. By February 1, 1965, the number had mounted to 108, of whom half were agents or officers of the Soviet intelligence services.

(Discussion off the record.)

Mr. HOOVER. Not only does the Soviet bloc take advantage of all types of cover but the flow of visitors to and from the many Soviet-bloc countries is on the increase.

For example, in the case of Hungary, only a handful of visitors arrived in the United States from that country in any given month 4 or 5 years ago. In July 1964, we received notification of the arrival of over 1,000 visitors from Hungary alone. This not only adds to our work, but also creates a vehicle for the clandestine introduction into the United States of individuals having intelligence assignments.

"ILLEGAL" (DEEP COVER) OPERATIONS

A growing problem is the extent to which the Soviet intelligence services are dispatching undercover spies into the United States. These individuals have no ostensible connection with either the official Soviet establishments or personnel in this country nor do they

make any overt contacts with their foreign espionage headquarters. They are well-trained, professional intelligence officers and usually bear assumed identities and are supplied with expertly fabricated documents and unlimited funds. They enter the United States without difficulty to become assimilated into our population and, unless uncovered, eventually serve as the nucleus of an extensive clandestine espionage network. Their detection among the more than 190 million people in this country is a counterintelligence problem of great magnitude.

AVAILABILITY OF PUBLIC INFORMATION

Greatly aiding the intelligence work of the spies in our midst, whether they are here under some outwardly apparent official capacity or here as an undercover espionage agent with no apparent foreign connection, are the relative freedom to travel about the country and the vast amount of public information available in our democratic country regarding all phases of activity, including industrial, scientific, technological, and military. For example:

Reconnaissance trips: Each year Soviet-bloc official personnel systematically travel through various parts of the United States, obtaining maps and photographs, carefully observing military installations and industrial facilities, submitting detailed, illustrated reports concerning objects of intelligence interest.

Attendance at conventions and exhibits: Along the same line, during the fiscal year 1964 a total of 86 Soviet-bloc officials attended 61 conventions, symposia, and exhibits in various parts of the country. There they photographed material on exhibit, picked up masses of unclassified strategic intelligence information, and established contact with individuals having military, scientific, and industrial connections.

Subscriptions and libraries: The Soviet-bloc official personnel subscribe to a wide variety of U.S. newspapers, magazines, technical journals, and industrial and scientific publications, fully capitalizing on a free press so different from the carefully controlled publications within their own countries. Frequently, such subscriptions are obtained by Soviet officials without indicating their official connection, under false names or through the use of intermediaries. These individuals likewise make extensive use of the masses of technical information available in our many public libraries.

Correspondence with U.S. industrial organizations: Carefully reviewing advertisements appearing in scientific and industrial publications for items of interest, the Soviet-bloc personnel initiate direct correspondence with U.S. industrial establishments, soliciting and frequently obtaining photographs, blueprints, and detailed specifications of our most recent industrial developments. In spite of regulations to the contrary, reference to their foreign official connection is usually omitted, their names Americanized or completely fabricated.

(Discussion off the record.)

UTILIZATION OF BASES IN OTHER COUNTRIES

Mr. HOOVER. Another problem which requires a wider coverage in our counterintelligence work is the current emphasis being placed by the Soviet-bloc intelligence services on the utilization of bases in

other countries in directing their intelligence attacks against this country.

(Discussion off the record.)

CUBA AND COMMUNIST CHINA

Mr. HOOVER. Along the same line, the FBI continues to have heavy investigative responsibilities in the Cuban field. While there has been a lessening in open activities on the part of pro-Castro organizations such as the Fair Play for Cuba Committee, the Cuban Government has continued its efforts to infiltrate intelligence agents into this country.

Also, Communist China represents one of the gravest long-range security threats and the FBI is continuing to devote close attention to coverage of possible Chinese Communist agents and sympathizers in the United States. There is every likelihood that Chinese Communist intelligence activities in this country will increase in the next few years, particularly if Communist China is recognized by the United Nations and is thereby able to establish a diplomatic mission in this country.

(Discussion off the record.)

DISSEMINATION OF INTELLIGENCE INFORMATION

Mr. HOOVER. The diplomatic immunity cloaking the great bulk of the Soviet-bloc personnel engaged in the espionage attack against this country, coupled with the compromising of confidential sources and investigative techniques, precludes the possibility of court action in many instances. As a result, our primary responsibility in this field is of a counterintelligence nature. At the same time, however, a great deal of positive intelligence information is produced from our investigations and sources. Such information is made available to the White House, the Department of State, our military services, the Central Intelligence Agency, and other organizations having a legitimate interest. It has assisted them in establishing policy and taking necessary action to further protect the security of our country.

I hand to the chairman of the Committee a chart showing action taken by other agencies.

PROSECUTIONS

Mr. HOOVER. Cases prosecuted include that of Nelson C. Drummond, a U.S. Navy enlisted man who was convicted of espionage conspiracy on July 19, 1963, and was sentenced on August 15, 1963, to life imprisonment. This has been appealed. Originally recruited by the Soviets in England in 1957, Drummond had surreptitiously removed classified documents from the files at the U.S. Naval Base, Newport, R.I., and was, when arrested, in the process of turning these over to a Soviet official who at the time was a secretary to the Soviet mission to the United Nations. This individual and another Soviet, also a member of the Soviet mission, were declared persona non grata by our Government.

In another instance, prosecution was undertaken in regard to a Soviet husband and wife team who were determined through our investigation to be operating as undercover spies in this country under

the assumed identities of Robert K. and Joy Ann Baltch. One Ivan Egorov, a United Nations Secretariat employee but actually a Soviet intelligence officer, and his wife served as part of the apparatus by which the Baltches transmitted data to their Soviet superior.

The Government released Egorov and his wife for return to Russia in exchange for two Americans who had been in custody of the Soviets for a number of years.

The Baltches' trial began September 28, 1964, but when it became necessary for the Government to produce information relating to highly confidential sources and informants of the United States, the Government dropped the prosecution on October 2, 1964, and steps were immediately taken to deport the Baltches. They departed from New York City on October 15, 1964, by plane destined for Prague.

In another case, George John Gessner, who had deserted from the U.S. Army in 1960, subsequently furnished classified information to Soviet officials in Mexico City. He was found guilty on June 9, 1964, and was sentenced to life imprisonment, marking the first conviction under the espionage features of the Atomic Energy Act.

This exhibit tells of this case and shows the widespread investigation required of the FBI. It involved work by 32 of our field offices in the United States and extended to 5 foreign countries.

I hand to the chairman an exhibit covering the *George John Gessner* case.

Another prosecution grew out of the arrest on October 29, 1963, at Englewood, N.J., of John William Butenko and Igor A. Ivanov, a chauffeur with the Amtorg Trading Corp. at New York City, on charges of espionage conspiracy. Butenko, an American electronics engineer, worked for the International Electric Corp., Paramus, N.J., where his duties pertained to a military communications system. Butenko was arrested after passing documents to Russian representatives.

Because of diplomatic immunity, prosecutive steps could not be taken against three Russian employees of the Soviet mission to the United Nations who were involved in the operation. They were declared persona non grata on October 30, 1963, and left the United States on November 1, 1963.

Butenko and the Russian chauffeur were found guilty in Federal court on December 2, 1964, on charges stemming from the espionage plot.

On December 18, 1964, Butenko was sentenced to 30 years' imprisonment. At the same time, a 20-year sentence was imposed on the Russian chauffeur. Appeals are pending. Ivanov, the Russian chauffeur, is free on bail pending his appeal.

The most recent case of Soviet espionage to reach the prosecutive stage was unfolded with the arrest on January 7, 1965, of Robert Glenn Thompson, a former U.S. Air Force enlisted man, who was charged in an indictment filed January 7, 1965, in the eastern district of New York, with conspiring to commit espionage and for acting as an agent of a foreign government without prior notification to the Secretary of State. The indictment charged Thompson with conspiring with the Soviets between June 1957 and July 1963, to furnish them documents, writings, photographs, notes, and information relating to the national defense of the United States and particularly information relating to military equipment, military installations, missile sites,

and code books. Coincidental with the arrest of Thompson, on January 7, 1965, Boris V. Karpovich, a counselor at the Soviet Embassy, Washington, D.C., who was named in the indictment as John Doe, also known as John Kurlinsky, the name under which he was introduced to Thompson, was declared persona non grata by the U.S. Government for conduct incompatible with his diplomatic duties.

Another Soviet official who dealt with Thompson in the United States had by the date of the filing of the indictment returned to the Soviet Union. On January 7, 1965, Thompson was released on $15,000 bond. Karpovich departed from the United States on January 12, 1965.

(Discussion off the record.)

Mr. HOOVER. A most recent prosecution which involved the misuse of American passports by Paul Carl Meyer illustrates the ready willingness of the Soviets to utilize misguided individuals to penetrate our shores. Meyer, in November 1962, acquired 15 passports of American citizens in the Chicago area by a fraudulent scheme. Meyer thereafter traveled throughout Europe and, when in Berlin in February 1963, established contact with the Soviets in East Germany who expressed intense interest in the passports in Meyer's possession. Meyer was induced by the Soviets to sell them the passports. Possibly, Soviet interest in these passports was based on their desire to alter them to enable surreptitious entries to be made into the United States by agents in their service.

On February 3, 1965, Meyer pleaded guilty in Federal court, Chicago, Ill., to an indictment charging him with four counts of misuse of American passports. On February 26, 1965, he was sentenced to 2 years' imprisonment on the first of these counts and to 1 year each on the remaining three counts, these sentences to run concurrently.

CRIMINAL AND CIVIL INVESTIGATIVE OPERATIONS

Turning now to our criminal and civil operations, the work and responsibilities in this area have climbed sharply and we have had to assign more and more of our available manpower to cope with the situation. There is no indication but that the work in this area will continue to increase.

BANK ROBBERY

The fiscal year 1964 witnessed the largest number of violations of the Federal Bank Robbery and Incidental Crimes Statute in our Nation's history. The 1,624 violations in that year reflected an increase of 253 offenses, or 18 percent, over the previous year and included 1,014 robberies, 412 burglaries, and 198 larcenies of banks, credit unions, and savings and loan associations.

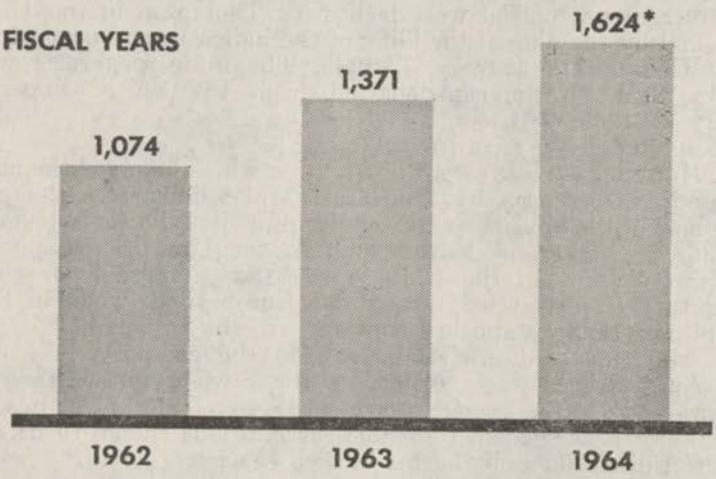
This chart shows the mounting volume of work we have had to handle under this statute. All of these violations must receive immediate and continuous investigation by a heavy assignment of manpower.

Mr. ROONEY. This chart showing Bank Robbery Statute violations, fiscal years 1962–64, shall be inserted in the record at this point.

(The exhibit follows:)

FEDERAL BANK ROBBERY STATUTE

VIOLATIONS REPORTED



Mr. HOOVER. Our accomplishments reflect the investigative drive which has been mounted against this vicious crime. During the fiscal year 1964, convictions rose to 702, an increase of 24 percent over the prior year, and 203 fugitives were located as compared with 149 during 1963.

FEDERAL RESERVE ACT VIOLATIONS

Another type of criminal attack against the Nation's financial institutions is that involving embezzlements and other such related offenses. A record high 2,728 cases of possible embezzlement, and the like, by officers and employees of banks and other financial institutions were reported to the FBI during 1964. These matters involved shortages in excess of $19 million.

This chart shows the upward trend of our work in this area.

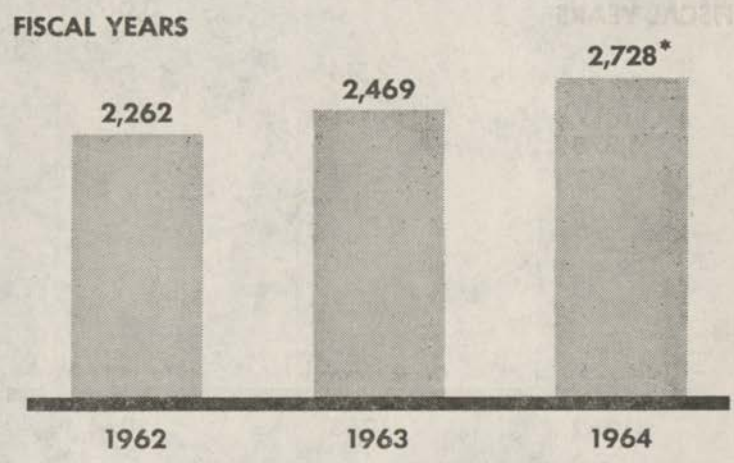
Mr. ROONEY. The chart shall be inserted in the record at this point.

See p. 335 for chart.

Mr. HOOVER. An alltime high total of 596 convictions was recorded in 1964, and fines and recoveries growing out of our investigations totaled $16,869,018.

FEDERAL RESERVE ACT

VIOLATIONS REPORTED



FUGITIVE FELON ACT

Mr. HOOVER. A record high 3,062 fugitives were located during 1964 under the provisions of the Fugitive Felon Act. The mounting accomplishments under this statute illustrate the growing amount of work we have been handling as well as the great cooperative strides we have been able to make as the result of legislation broadening our jurisdiction to aid local law enforcement in locating far-ranging fugitives.

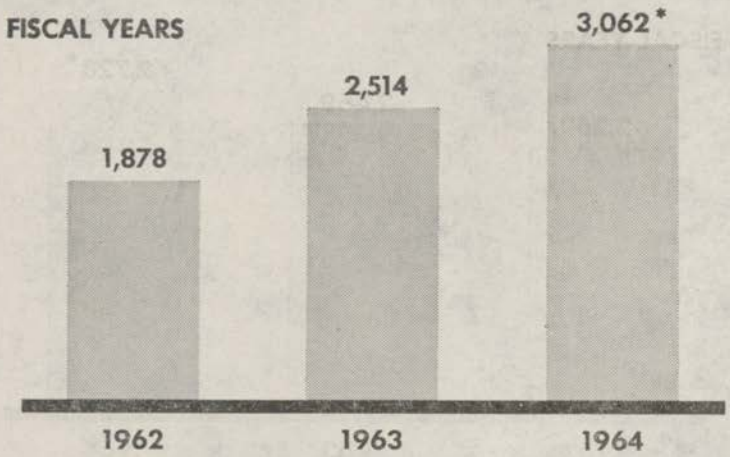
This exhibit is a chart showing Fugitive Felon Act fugitives located, fiscal years 1962–64.

Mr. ROONEY. We shall at this point insert this chart in the record.

(The chart follows:)

FUGITIVE FELON ACT

NUMBER OF FUGITIVES LOCATED



*ALL-TIME HIGH

Mr. HOOVER. The broadened jurisdiction resulting from the amendment of the Fugitive Felon Act on October 4, 1961, has, of course, resulted in a substantial addition to our workload volume. In the fiscal year 1961 and prior to the new amendment, 1,418 unlawful flight fugitives were located by the FBI. The 3,062 located in 1964 represent an increase of 116 percent over this 4-year period.

The apprehension of Walter Lee Parman by FBI agents at Los Angeles, Calif., on January 31, 1965, climaxed an extensive, nationwide investigation to locate him under the provisions of the Fugitive Felon Act.

The Metropolitan Police Department of Washington, D.C., had requested this Bureau's assistance in locating Parman after he was charged with the strangulation murder of Shirley Ann Cary, a State Department secretary, whose nude body was found in an alley in Washington, D.C., on January 9, 1965. Miss Cary's body bore evidence of a savage sexual attack.

The FBI investigation traced Parman from Washington, D.C., to Ohio, Illinois, and thence through several States to the west coast.

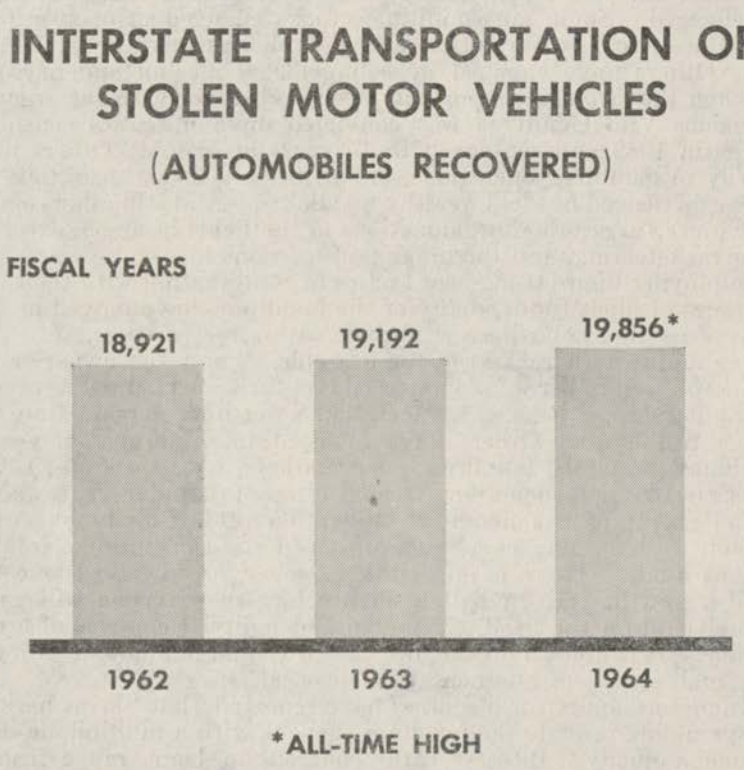
The Chief of Police of the Metropolitan Police Department, Washington, D.C., has cited this case as an outstanding example of the type service which can be afforded by the FBI in cooperation with local law enforcement, without which the successful location of Parman would not have been effected.

The auto theft problem continues to mount throughout the country. It is reflected in the alltime high of 19,856 stolen vehicles which had been moved interstate and recovered in FBI cases during 1964.

This exhibit shows interstate transportation of stolen motor vehicles recovered.

Mr. ROONEY. The exhibit shall be inserted at this point in the record.

(The exhibit follows:)



Mr. HOOVER. The extent of auto theft crimes and the increasing frequency of this offense were shown in the crime statistics which I presented earlier. These indicated that nearly 400,000 autos were stolen throughout the Nation during the calendar year 1963, an increase of 11 percent over 1962, and that over the 6-year period from 1958 through 1963 auto thefts increased 39 percent.

A study of auto thefts shows that young people play a substantial part in this growing crime. Also of significance is the fact that slightly more than 40 percent of the cars stolen throughout the country have the key in the ignition or the ignition is unlocked. The study indicates that prevention is the best hope of reducing auto theft, particularly when we recognize the number of young people involved in the transportation-type theft. In this regard, drivers must recognize their responsibility to lock the ignition, remove the key, and secure the automobile.

We are continually involved in thousands of investigations relating to various aspects of organized crime. Through this means we gather as much intelligence data as possible on the activities of the various racketeers, hoodlums, and professional gamblers operating in the United States today.

We must have widespread coverage in this area of our operations because of the many and varied business activities—illegal and otherwise—in which the members of the organized criminal element are engaged. Some are smalltime crooks engaged in open criminal operations such as burglaries, armed robberies, car thefts, and the like. Others have engaged in selling illegal alcohol and narcotics, although the latter has reportedly been in disfavor with the organization since Vito Genovese was convicted on a narcotics conspiracy charge in 1959 and sentenced to 15 years in prison. Others invest heavily in gambling operations, either directly or as "bankrolls" for more experienced but less wealthy hoodlums. And still others employ their powerful criminal organizations in the fields of arson, extortion, labor racketeering, and the making of usurious loans.

Employing their strong-arm tactics in combination with their large resources of illicit funds, many of the hoodlums have moved into the fields of legitimate business enterprise within recent years.

One midwestern racketeer, for example, is now the owner or part owner of a number of commercial ventures, including a produce distributorship, a bakery, a racetrack, a busline, a real estate firm and a restaurant. Others have invested in oil property, vending machines, hospitals, laundries, supermarkets, hotels, motels, taxicab firms, theatrical agencies, and various types of manufacturing plants.

The extent of the hoodlum infiltration of legitimate business is difficult to determine since much of it is carried on through fronts of various kinds. There is no doubt, however, as to its existence and steady growth. Given half a chance, organized crime will gain a stranglehold on the legal, economic, and political controls of a community. It is able to do this because of the large amounts of money and small armies of gunmen at its disposal.

Numerous underworld sources have reported that "loans harking" and gambling provide the hoodlum element with a multibillion-dollar income annually. Interest rates charged on loans range from as low as 200 percent a year to as high as 20 percent a week. And violence or fear of violence is used in collecting debts in both fields. Where debtors are unable to meet their payments, the hoodlums often move in and seize control of the victims' business concerns, sometimes retaining the dispossessed owners as fronts to conceal the hoodlum ownership.

One aid in the campaign to put major hoodlums and racketeers behind bars has been the organized crime legislation passed by Congress in the fall of 1961. This banned the interstate transportation of wagering paraphernalia, the interstate transmission of wagering information, and the interstate travel in aid of racketeering.

As a result of these new laws, 182 individuals have been convicted in the past 3 years and approximately 167 others are currently awaiting trial (as of March 1, 1965).

Indicative of the amount of new work resulting from this legislation, we have opened a total if 18,355 new cases under just the three anti-gambling laws alone (as of February 1, 1965).

Our investigations under these new statutes have also enabled us to materially assist other police agencies conducting similar type operations. For example, in Illinois, data to local and State police has been the basis of a series of gambling raids resulting in the arrest of approximately 370 individuals during the past 22 months (as of March 1, 1965).

Another example is at Youngstown, Ohio. Here, the local grand jury, after checking into 84 cases and examining 368 witnesses in its probe of organized gambling and racketeering, reported that:

> A probe of such vast proportions could not have been possible without the full cooperation of the Federal Bureau of Investigation.

Based largely on Bureau investigations, Federal grand juries are currently inquiring into organized crime activities in the New York and Washington, D.C., areas. These inquiries are being directed toward developing information which can be used as the basis for prosecution against hoodlum figures and underworld operations.

(Discussion off the record.)

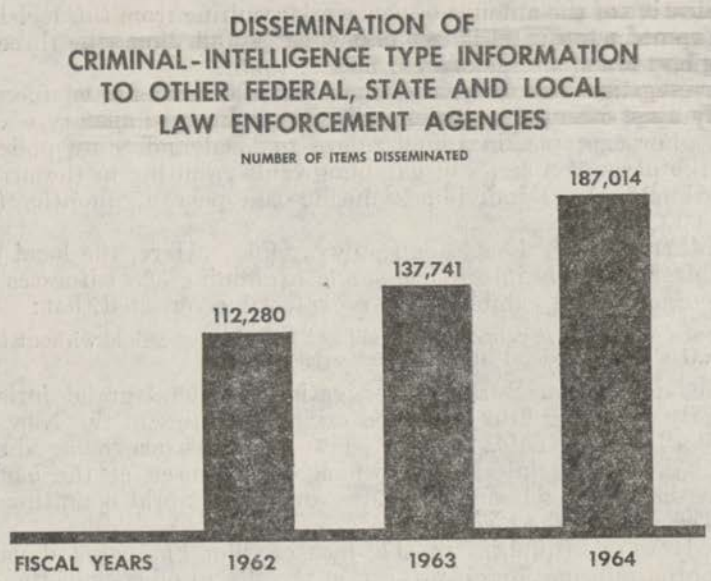
Mr. HOOVER. Inquiries in the Jacksonville, Fla., area developed substantial information on protection payoffs to officials of the Jacksonville Police Department which enabled gamblers to operate unmolested. As a result of our dissemination of this information to the county prosecutor, one police officer has been found guilty of corruption, the charges against two others have been nolle prossed and three more have been acquitted. A justice of the peace pleaded guilty to attempting to operate a lottery. Two police officers who were involved have retired and numerous assignment changes are being made in the upper levels of this police department.

All told, 187,014 items of criminal intelligence-type information were disseminated to other Federal, State, and local agencies during the fiscal year 1964, an increase of 49,273 over the number of similar items furnished during the previous year.

This chart shows the increasing cooperative assistance we have been able to give to other law enforcement agencies as we delve deeper into the operations of the organized criminal element in this country.

Mr. ROONEY. This exhibit shall be inserted at this point in the record.

(The exhibit follows:)



CIVIL RIGHTS

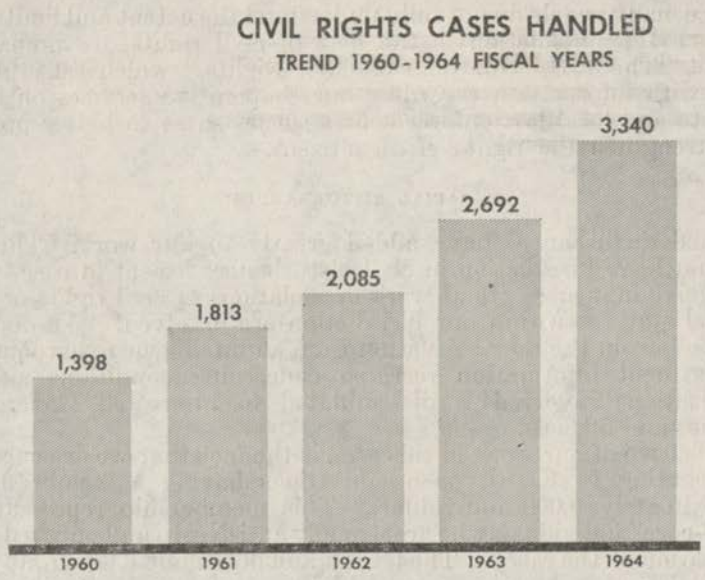
Mr. HOOVER. Growing workloads in the civil rights field have placed tremendous demands upon our manpower and resources. There was a record-high total of 3,340 such cases received during the fiscal year 1964, a 24-percent increase over the number received in the prior year.

The great increase in our work in this area is brought into sharp focus when it is considered that over the 5-year period 1960–64 there has been a 139-percent increase in the number of these cases.

This chart shows "Civil Rights Cases Handled, trend 1960–64 fiscal years."

Mr. ROONEY. At this point we shall insert this chart in the record.

(The chart follows:)



Mr. HOOVER. Without exception these are matters which require immediate handling and in many instances involve the extraordinary assignment of manpower and other resources.

Some persons think that our work in the civil rights field is concerned only with such matters as the investigation of allegations of involuntary servitude and slavery, or the deprivation of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States by persons acting under the color of law.

Actually, although strictly limited by laws enacted by Congress, orders issued by the President and instructions of the Attorney General, our work covers a wide variety of matters and cumulatively these require the utilization of a large amount of manpower.

FBI—A FACT-FINDING AGENCY

As the investigative arm of the Department of Justice, the FBI conducts all of these varied investigations in the civil rights field promptly, thoroughly, impartially, and with but one goal—to determine the true facts. In its traditional role as a fact-finding agency, the FBI furnishes the results of its investigations to the Department of Justice for its determination as to whether prosecution or further investigative action is warranted. We do not give opinions or make recommendations or evaluations. The facts speak for themselves.

The FBI is not a national police force. As a factfinding organization investigating violations of Federal laws, its jurisdiction is strictly limited. It cannot, for example, assume without authority the role of protective bodyguard to any citizen or group of citizens.

There are those who would have us ignore legally established jurisdictional lines just to appease pressure groups or others who feel we should be obligated to step in and handle matters which are not in our legal jurisdiction. Ironically, this would strike a blow at the rights, freedom, and liberty of all Americans—the very matter which these detractors claim they wish to protect.

Since many people do not fully understand the extent and limitations of the FBI's jurisdiction in the field of civil rights, we prepared a booklet "The FBI—Guardian of Civil Rights," which sets this out along with information regarding our cooperative services on behalf of State and local law enforcement agencies so as to better preserve and strengthen the rights of all citizens.

RACIAL DISTURBANCES

Racial disturbances have added greatly to our work. The FBI does not have jurisdiction in civil disturbances except in cases where subversive influences are at work or violations of civil rights or other Federal statutes within our jurisdiction are involved. We do, however, follow on the racial situation from an intelligence viewpoint and all pertinent information received concerning conditions and the organizations involved is disseminated to interested Government agencies and officials.

Indicative of our work in this area is the fact that we are currently investigating 14 Klan-type organizations having a membership of approximately 9,000 individuals. This membership represents the "hard-core" individuals who are strongly anti-Negro and opposed to the integration of the races. The largest and dominant Klan group is the United Klans of America, Inc., Knights of the Ku Klux Klan, with headquarters in Tuscaloosa, Ala. This group is active in 8 States, has an estimated membership of 4,600 individuals, and is led by Imperial Wizard Robert Shelton.

Another prominent Klan group is the White Knights of the Ku Klux Klan of Mississippi, which was organized in February 1964, and operates solely in the State of Mississippi. Its membership is estimated at 2,000 persons and it is led by Imperial Wizard Samuel Bowers.

In the State of Louisiana, the Original Knights of the Ku Klux Klan is active. Its headquarters are in Jonesboro, La., and its membership is estimated to be 1,500. The leader of this organization is Roy E. Davis.

Another large Klan group is the United Florida Ku Klux Klan which operates in the State of Florida. It has an estimated membership of 900, and is led by Jason C. Kersey, and its headquarters is in Samsula, Fla.

During the past year there has been a marked increase in Klan membership. Investigative experience has shown that Klan activity and membership have increased in those areas in the South where civil rights groups have been most active.

This Bureau has under active investigation 9 hate-type groups having a total estimated membership of 500 individuals. The largest of these is the American Nazi Party led by George Lincoln Rockwell, with headquarters in Arlington, Va. This group has an approximate membership of 100 individuals.

Another prominent organization of this type is the National States Rights Party, which has headquarters in Birmingham, Ala., and is led by Edward Fields. This group has a very small membership; however, Fields and others connected with him prepare and distribute a large volume of hate-type literature which espouses anti-Semitic and anti-Negro views.

We have penetrated these Klan and hate-type organizations with highly qualified sources consisting of not only rank-and-file members but also individuals who are in a position to have access to plans and policies. These sources furnish valuable information on a continuing basis.

ACCOMPLISHMENTS IN THE CIVIL RIGHTS FIELD

The new Civil Rights Act of 1964 which became effective July 2, 1964, placed additional demands upon the Bureau in matters relating to public accommodations, public facilities, and public education. A total of 1,032 cases have been received for investigation under the provisions of this new legislation (February 24, 1965).

VOTING MATTERS

During the fiscal year 1964 a total of 100 alleged violations of Federal election laws were received for handling. Along the same line, under the Civil Rights Acts of 1957 and 1960 we have handled many involved investigations of alleged racial discrimination in voting. These have required the making of nearly 1 million photographic copies of voting records and the conducting of more than 5,000 involved interviews, and have served as the basis for 70 suits filed by the Department of Justice. These efforts have enabled thousands of Negro citizens to register for voting.

Our investigations in these and other matters have resulted in charges being filed in connection with a number of acts of violence. Since more serious violations of local laws may be involved, the Department of Justice often directs that the results of our investigations be turned over to the local authorities so that they might have the opportunity of proceeding with the prosecution on the more serious charge.

On June 10, 1964, Rabbi Arthur Joseph Lelyveld and two other white voter registration workers were assaulted in Hattiesburg, Miss. Local authorities were furnished the results of our investigation which identified the two local white men who perpetrated the assault. They were charged with assault and battery, fined, and sentenced to 90 days in jail, the jail sentences being suspended pending good behavior.

In another instance, two white civil rights workers accompanied by a young Negro were assaulted in Jackson, Miss., on July 22, 1964. FBI investigation identified a local Klansman as having struck one of the workers with a club. Local authorities used this data to accept a plea of guilty on local assault charges and fined the attacker $50.

On June 26, 1964, at Itta Bena, Miss., special agents of the FBI arrested three local white men for violation of Federal civil rights statutes following the intimidation of three voter registration workers and the assault of one of them at Itta Bena the day before. A Federal grand jury at Oxford, Miss., considered this matter on July 17, 1964, but failed to indict, although the intimidation and the identities of the subjects were clearly established.

PENN MURDER CASE

Following the shotgun blast murder of Lt. Col. Lemuel A. Penn while driving along a Georgia highway on July 11, 1964, our all-out investigation resulted in the arrest of four Klansmen on August 6, 1964,

on civil rights violations. Complete details of our investigation, including some 800 pages of interviews with witnesses and subjects were turned over to the local authorities so they could proceed on the more serious murder offense and three of those arrested were indicted on this charge. However, following the trial of two of them, the local jury on September 4, 1964, returned a not guilty verdict. The local charge on one was dismissed at the trial. The local charge remains outstanding as to the other man.

Subsequently, the Federal grand jury at Athens, Ga., returned an indictment charging the four originally arrested and two additional subjects who were arrested on October 16, 1964, on charges of committing civil rights violations against Negro citizens in Georgia. This indictment was dismissed by the U.S. District Court on December 29, 1964. The dismissal of the indictment is being appealed to the Supreme Court by the Government. Another indictment charged one of the men with possession of a short-barreled shotgun which had not been registered with the Secretary of the Treasury. Prosecutive action on this indictment is still pending.

MURDER OF THREE CIVIL RIGHTS WORKERS

Michael Schwerner and Andrew Goodman, two white New Yorkers, and James Chaney, a local Mississippi Negro youth, were civil rights workers. They were last seen alive on June 21, 1964, after their release from the Neshoba County jail at Philadelphia, Miss., where they had been incarcerated for several hours following their arrest by local authorities earlier that day.

Their disappearance triggered an all-out investigation. In addition to bringing a large number of our own investigative staff into the area, we coordinated the efforts of hundreds of Navy personnel and law enforcement officers in a gigantic search effort.

On August 4, 1964, the bodies of the victims were located by special agents of the FBI under an earthen dam about 6 miles southwest of Philadelphia.

The intensive 5½-month investigative effort to identify and develop evidence and testimony concerning those responsible for this atrocious crime culminated in the arrest on December 4, 1964, by special agents of the FBI of 21 white men in Mississippi and Louisiana. Nineteen of the men were charged with Federal civil rights violations arising from the murders last June of the three young civil rights workers. Two others were charged with a Federal violation growing out of the fact that they had knowledge of the crime but concealed this knowledge from the appropriate authorities.

On December 10, 1964, at a preliminary hearing for 19 of the defendants arrested in the Meridian-Philadelphia, Miss., area, the U.S. commissioner rejected the Government's efforts to introduce testimony concerning a written confession received from one of the subjects, irrespective of well-established precedents for such testimony. Rather than disclose additional evidence at this preliminary hearing, the Department of Justice advised that the case would be presented to a Federal grand jury. Thereafter, the commissioner dismissed the charges then pending against these 19 defendants. Similar action was taken in regard to charges against the other two defendants, the Department having subsequently entered separate motions for the dismissal of the complaint with respect to them.

The Federal grand jury, Jackson, Miss., returned 2 indictments on January 15, 1965, against 17 of the 21 men originally arrested and against 1 person not included in the prior arrests. These men were charged with Federal civil rights violations arising from the murders last June of the three civil rights workers.

On February 25, 1965, the U.S. District Court, Meridian, Miss., dismissed one of these indictments (charging violation of sec. 241, title 18, U.S. Code) against all but 1 of the 18 defendants. Section 241 prohibits two or more persons from conspiring to interfere with the constitutional rights of a citizen.

In regard to the other indictment, the judge subsequently ruled that the 15 defendants who are not law enforcement officers cannot violate section 242, title 18, U.S. Code (color-of-law statute), and therefore, substantive charges against them under this statute were dismissed from the indictment. All 18 defendants, however, remain charged under section 371, title 18, U.S. Code (the general conspiracy statute) for having conspired to violate section 242, and the 3 law enforcement officers involved remain charged for substantive violations of section 242.

The Government is appealing to the Supreme Court the dismissal of charges under both of these indictments by the district court.

Among those indicted were Lawrence Andrew Rainey, sheriff of Neshoba County, Miss.; his deputy, Cecil Ray Price; Richard Andrew Willis, a patrolman of the Philadelphia, Miss., Police Department; and Herman Tucker, a Philadelphia, Miss., contractor who had constructed the earthen dam in which the bodies of the three civil rights workers had been found buried. The trial date has not been set.

PRIOR ARREST OF LOCAL LAW ENFORCEMENT OFFICERS

The investigation regarding the disappearance of the three murdered civil rights workers established other civil rights violations and on October 2, 1964, two indictments were returned by a special Federal grand jury under which the FBI arrested five men, all present or former local law enforcement officers in the Philadelphia, Miss., area on civil rights charges of using unreasonable force while acting under color of law. These indictments grew out of charges relating to beatings, and the like, of Negroes arrested by them in 1962 and early 1964, and were not connected with the murder of the three civil rights workers. All are awaiting further prosecutive action.

ATTACKS ON TWO CIVIL RIGHTS WORKERS

On October 22–23, 1964, as a result of investigation by the FBI and the Mississippi Highway Safety Patrol, the highway patrol arrested five white men at Natchez, Miss., on charges of assault and battery with intent to kill two civil rights workers in the fall of 1963.

The arrests were based on charges that the two civil rights workers—one a white man from Arlington, Va., and the other a Greenwood, Miss., Negro—were accosted and beaten by four of the five men on one occasion and that shortly thereafter three of those arrested fired shots at the car in which the two civil rights workers were traveling near Fayette, Miss. Neither worker was injured. A county grand jury returned no indictments in connection with one of these assaults and the charges were dismissed on the other assault.

POLICE BRUTALITY IN TENNESSEE

As a result of our investigations, the Federal grand jury in Nashville, Tenn., returned indictments on June 25, 1964, against seven officers of the Nashville-Davidson County Sheriff's Office and the Rutherford County Sheriff's Office. The indictments grew out of charges of police brutality in violation of a Federal Civil Rights Statute. The indictment against one of the individuals has been dismissed; the other six are awaiting further prosecutive action.

RECOVERY OF BODIES FROM RIVER NEAR TULLULAH, LA.

On November 6, 1964, FBI agents and local authorities arrested two white men, one a self-admitted Klansman, at Meadville, Miss., in connection with the murders of Henry Dee and Charlie Moore, two Negroes whose partial torsos were found in the Old River, backwater of the Mississippi River, near Tullulah, La., on July 12 and 13, 1964. The arrests were the result of extensive investigation by the FBI. Both subjects were charged under State warrants with killing the two Negroes on or about May 2, 1964. The State charges were dismissed by local authorities on January 11, 1965, in anticipation of later presentation to a State grand jury.

PUBLIC ACCOMMODATION VIOLATION

Many incidents arising under the Civil Rights Act of 1964 have been reported to this Bureau. These have been submitted to the Department of Justice for consideration and, frequently, the Department has ordered the FBI to investigate the alleged violations. Under this act, Willie Amon Belk, his son, and Sam Allen Shaffer, Jr., were arrested on July 23, 1964, by the FBI at Greenwood, Miss., on charges of conspiracy to injure, oppress, threaten, and intimidate Silas McGhee, a Negro, in the free exercise of his rights to full and free enjoyment of a public accommodation, the Leflore Theater in Greenwood. The arrests stemmed from our investigation concerning the beating on July 16, 1964, of Silas McGhee.

On January 6, 1965, a Federal grand jury at Oxford, Miss., returned indictments against each of the subjects. The trial has not been set. All subjects are free on bond.

BOMBINGS

A series of bombings occurred in the McComb, Miss., area from June to September 1964. The cooperative investigation of the FBI and the Mississippi Highway Safety Patrol resulted in the arrest of 11 white men between October 1 and 5, 1964, on charges of being variously involved in 5 separate bombings and in a church burning. All those arrested were charged under Mississippi law with the unlawful use of explosives which carries a penalty ranging from imprisonment to death.

On October 23, 1964, the local court suspended jail sentences as to nine of the men after they had entered pleas of guilty or no contest to charges stemming from racial bombings. All were placed on probation. It was indicated that the same procedure would be followed with regard to another defendant when he is released from a

mental institution. He is presently scheduled to be sentenced in the March 1965 term of the local court. The remaining subject originally arrested was not indicted by the local authorities.

The judge indicated he was placing the nine defendants on probation because they were members of good families and "mostly young men, just starting out." One defendant was 44, another 38, and two others were 36 and 35. Of the remaining five, two were 25 and the other three were 22, 21, and 20 years of age.

The order of the judge in connection with the sentencing of these individuals stipulates that should any further violence erupt in the McComb area indicating a systematic plan has been developed to foment crime and violence, the probationary sentences are subject to being revoked regardless of whether the subjects are actually involved. No additional bombings have occurred in McComb since the arrests were made.

In Jacksonville, Fla., the home of Iona Godfrey, a Negro, was damaged by dynamite on February 16, 1964. Godfrey's 6-year-old son was attending a school under a Federal court order. FBI investigation established that William Sterling Rosecrans, Jr., a Klan member, had participated in the bombing to get the boy "out of the white school." Rosecrans pleaded guilty to obstructing a court order and was sentenced in U.S. district court on April 17, 1964, to serve 7 years. Five other Klansmen who allegedly either participated in the actual bombing, assisted in the theft of the dynamite used, or were otherwise involved, were also arrested by the FBI. On July 5, 1964, following the first trial, one of these was acquitted in U.S. District Court. Following the second trial, the remaining four subjects were acquitted on November 25, 1964.

At Arlington, Va., on September 7, 1964, a powerful explosive was detonated adjacent to a high school building, breaking windows and damaging fixtures. The cooperative investigation of the FBI and the local authorities led to the identification of three local youths who were former students of the high school as being involved in the bombing. Since the explosive elements of the bomb were determined to have been obtained locally, there was no Federal violation and the youths were prosecuted by the local authorities.

On October 29, 1964, the local court found two of the youths, both 18 years of age, guilty of destruction of property and of trespass, while the third, who was 19, was found guilty of contributing to the delinquency of a minor. Both charges carry possible penalties of 1 year in prison and a $500 fine.

On December 9, 1964, the local judge, who had originally p'aced all three subjects in the Arlington County jail pending determination of sentence, released them without fines or other sentences but continued the cases against them for a period of 2 years, stipulating that the court is to retain jurisdiction over each until the age of 21 is reached.

At Meridian, Miss., on the basis of information developed by the FBI, special agents of the FBI and members of the Mississippi Highway Safety Patrol arrested James Charles Rutledge at Meridian, Miss., on October 8, 1964, on State charges of feloniously possessing explosives. At the time of this arrest, Rutledge was in possession of approximately 40 sticks of dynamite as well as a quantity of blasting caps. An indictment returned by a local grand jury was found

defective and dismissed; the grand jury failed to indict when the case was reconsidered.

On January 24, 1965, two automobiles were severely damaged by explosions in the vicinity of St. Peter African Methodist Episcopal Zion Church in New Bern, N.C. On the same evening, Oscar's Mortuary in New Bern was also severely damaged by an explosion. The owners of the automobiles were attending a meeting of the National Association for the Advancement of Colored People at the church. This meeting was called to formulate plans to step up integration of schools. All victims are Negroes and are active in integration matters.

Intensive investigation identified three white men, Raymond Duguid Mills, Laurie Latham Fillingame, and Edward Earl Fillingame, as the perpetrators of the bombings.

A search, incidental to the arrest of Mills at his home, revealed a Ku Klux Klan charter dated June 4, 1964, issued by Imperial Wizard Robert M. Shelton naming Mills as Exalted Cyclops of the New Bern unit of the United Klans of America, Inc., Knights of the Ku Klux Klan.

The three men were arrested by FBI agents on January 29, 1965, on charges of conspiring to intimidate the owners of the bombed automobiles and the mortuary from the free exercise of their rights guaranteed by the Constitution.

The three subjects are free on bond awaiting further prosecutive action.

INTELLIGENCE AND LIAISON PROGRAMS

Although numerous arrests and convictions have resulted from our investigations in civil rights matters, the effectiveness of our work in this field can never be assayed on the basis of these statistics alone. Perhaps the greatest accomplishments are to be found in the results of our intelligence and liaison programs.

We are continuously gathering information on a day-to-day basis regarding civil rights situations. The immediate dissemination of such information to the appropriate law enforcement agencies having the responsibility to maintain the peace and prevent violence undoubtedly serves to prevent instances of violence which would otherwise occur.

Our program of liaison with Governors and other ranking State officials for the purpose of encouraging high standards of law enforcement and the strict enforcement of State laws has also paid valuable dividends.

Over the years in the police training field, the FBI has provided civil rights courses and lectures by FBI instructors to law enforcement agencies across the Nation and has conducted hundreds of civil rights schools for officers dealing with the Constitution, Bill of Rights, and other matters in the civil rights field. Immediately following the passage of the Civil Rights Act of 1964 a series of 228 law enforcement conferences was held throughout the country for a detailed discussion of this new legislation and its relationship to law enforcement at all levels. The conferences were attended by 20,184 persons representing 6,406 agencies.

Further, the fact that it is known throughout law enforcement circles that the FBI vigorously investigates all civil rights matters involving violations of Federal laws undoubtedly serves as a deterrent

to discourage violations on the part of extremists and also is a spur that encourages local officers to immediately and vigorously investigate civil rights situations.

Along this line, the sheriff of Pike County, Miss., advised that through observance of the manner in which the FBI investigates these matters and the experience gained therefrom, officers of his department and Mississippi highway safety patrolmen were enabled to effect the arrest on November 4, 1964, of seven white men involved in the shootings into two private residences in McComb, Miss., in the early part of October 1964.

Mr. Chairman, this concludes my statement.

Mr. ROONEY. Mr. Smith?

Mr. SMITH. Off the record.

(Discussion off the record.)

LABORATORY TESTS

Mr. SMITH. I notice in a number of States submissions to the laboratory did not have any relationship to population. For example, there were 4,606 by Arkansas and 1,622 by California. What is the basis for that?

Mr. HOOVER. One basis is the desire or lack of desire by the agencies to make use of our facilities. Another reason is the fact that some State and local jurisdictions have their own laboratory which they use.

Mr. SMITH. Some use your office more than others?

Mr. HOOVER. That is very true.

Mr. SMITH. What would be the nature of these laboratory tests, ballistic tests?

Mr. HOOVER. We cover the entire field of scientific research and laboratory work including blood, ballistics, tire treads and the like.

Mr. SMITH. That is all.

Mr. FLYNT. Off the record.

(Discussion off the record.)

Mr. FLYNT. Thank you.

Mr. ROONEY. Mr. Cederberg?

Mr. CEDERBERG. Mr. Director, it has been a pleasure for me to be here and to listen to your testimony. I share your concern about the crime on the streets that we find in our large cities. Just yesterday when I was driving home and listening to the radio I heard where some woman was driving into her garage at her apartment and was attacked and is in serious condition in the hospital. This goes on day after day after day. I do not suppose anyone really knows what the answer to the problem is but probably the judiciary ought to take a little harder look at some of the sentences and really make it true that crime does not pay.

Mr. HOOVER. I have urged publicly and in testimony before this committee that that be done. The law of averages now is in favor of the criminal being freed.

(Discussion off the record.)

Mr. CEDERBERG. That is all.

Mr. ROONEY. Mr. Director, we are most appreciative of your highly interesting and informative statement which has now proceeded for practically 3½ hours.

Mr. HOOVER. Thank you, Mr. Chairman.

AFTERNOON SESSION

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

R. F. FARRELL, COMMISSIONER
E. A. LOUGHRAN, ASSOCIATE COMMISSIONER
D. FRANCIS, ASSISTANT COMMISSIONER
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Object classification

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Personnel compensation:			
11.1	Permanent positions	48,215	51,464	51,725
11.3	Positions other than permanent	534	839	676
11.4	Special personal service payments	116	127	127
11.5	Other personnel compensation	4,868	5,458	5,453
	Total personnel compensation	53,733	57,888	57,981
12.0	Personnel benefits	4,293	4,566	4,577
21.0	Travel and transportation of persons	2,103	2,085	2,074
22.0	Transportation of things	288	348	347
23.0	Rent, communications, and utilities	1,446	1,595	1,593
24.0	Printing and reproduction	461	498	471
25.1	Other services	1,475	1,594	1,786
25.2	Services of other agencies	492	510	514
26.0	Supplies and materials	2,075	2,156	2,118
31.0	Equipment	1,063	2,145	1,637
32.0	Lands and structures	292	730	465
42.0	Insurance claims and indemnities	14	14	14
44.0	Refunds	32	31	31
91.0	Unvouchered	50	50	50
	Total costs, funded	67,817	74,210	73,658
94.0	Change in selected resources	351	−995	
	Subtotal	68,168	73,215	73,658
95.0	Quarters and subsistence charges	−54	−54	−54
99.0	Total obligations	68,114	73,161	73,604

Personnel summary

	1964 actual	1965 estimate	1966 estimate
Total number of permanent positions	7,058	7,097	7,085
Full-time equivalent of other positions	106	173	129
Average number of all employees	6,675	6,695	6,639
Average GS grade	7.6	7.6	7.6
Average GS salary	$7,346	$7,755	$7,807
Average salary of ungraded positions	$5,659	$5,842	$5,855

Program and financing

[In thousands of dollars]

		1964 actual	1965 estimate	1966 estimate
	Program by activities:			
	1. Inspection for admission into the United States	18,020	20,242	20,079
	2. Detention and deportation	6,313	6,583	6,586
	3. Naturalization	4,054	4,289	4,249
	4. Border patrol	17,526	19,827	19,324
	5. Investigating aliens' status	12,585	13,052	13,114
	6. Immigration and naturalization records	5,437	5,988	6,088
	7. General administration	3,828	4,175	4,164
	Total program costs, funded [1]	67,763	74,156	73,604
	Change in selected resources [2]	351	−995	
10	Total obligations	68,114	73,161	73,604
	Financing:			
25	Unobligated balance lapsing	883		
	New obligational authority	68,997	73,161	73,604
	New obligational authority:			
40	Appropriation	69,011	71,100	73,604
41	Transferred to "Operating expenses, General Services Administration, Public Buildings Service" (77 Stat. 436 and 78 Stat. 655)	−14	−3	
43	Appropriation (adjusted)	68,997	71,097	73,604
44	Proposed supplemental due to civilian pay increases		2,064	
	Relation of obligations to expenditures:			
71	Total obligations (affecting expenditures)	68,114	73,161	73,604
72	Obligated balance, start of year	5,068	6,002	7,089
74	Obligated balance, end of year	−6,002	−7,089	−7,669
77	Adjustments in expired accounts	−7	−74	
81	Balance not available, start of year		74	
82	Balance not available, end of year	−74		
90	Expenditures excluding pay increase supplemental	67,100	70,153	72,881
91	Expenditures from civilian pay increase supplemental		1,921	143

[1] Includes capital outlay as follows: 1964, $1,356,000; 1965, $2,876,000; 1966, $2,099,000.
[2] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, $1,323,000 (1964 adjustments, $21,000); 1964, $1,695,000; 1965, $700,000; 1966, $700,000.

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

The next and last item for the Department of Justice is entitled "Immigration and Naturalization Service." It is to be found at page 109 of the committee print and under tab 25 of the justifications book.

We shall at this point insert in the record pages 25–1 through 25–84 thereof.

(The pages follow:)

Salaries and Expenses, Immigration and Naturalization Service

Summary analysis of estimate

	Total	Inspection	Detention and deportation	Naturalization	Border Patrol	Investigation	Immigration and naturalization records	General administration
1965 appropriation	$71,100,000	$19,331,300	$6,397,900	$4,144,500	$18,766,900	$12,656,900	$5,762,700	$4,039,800
Less: Transfer to Operating expenses, General Services Administration	−3,000				−3,000			
Adjusted appropriation	71,097,000	19,331,300	6,397,900	4,144,500	18,763,900	12,656,900	5,762,700	4,039,800
Proposed supplemental pay increase	2,064,000	617,500	153,100	123,300	505,500	379,400	174,000	111,200
Total for 1965	73,161,000	19,948,800	6,551,000	4,267,800	19,269,400	13,036,300	5,936,700	4,151,000
Estimate for 1966	73,604,000	20,079,500	6,585,900	4,248,600	19,324,200	13,113,600	6,087,900	4,164,300
Difference	+443,000	+130,700	+34,900	−19,200	+54,800	+77,300	+151,200	+13,300
Explanation of difference:								
Adjustments to base (see p. 25.5)	−2,062,200	−318,300	−13,300	−3,200	−1,254,400	−154,300	−240,100	−78,600
Base for 1966	71,098,800	19,630,500	6,537,700	4,264,600	18,015,000	12,882,000	5,696,600	4,072,400
Reduction for fiscal year 1966: 12 naturalization examiners	−121,000			−121,000				
Increases requested for 1966:								
Passenger vehicle replacements (250)	479,600	67,300	1,900	3,700	247,800	158,900		
Trucks (130)	392,600				392,600			
Aircraft (observation) (3)	64,500				64,500			
Emergency generators	43,100				43,100			
Radio system renewal	225,100				225,100			
Records equipment	41,500						41,500	
Master index relocation	157,500						157,500	
Automatic typewriters	160,000						160,000	
Station repairs and alterations	181,900	52,900	17,600	1,800	99,200	2,800	3,800	3,800
Border inspection stations	230,000	230,000						
Border Patrol stations	148,000				148,000			
Accident compensation	67,800							67,800
Naturalization film	75,000			75,000				
Statutory salary increase	359,600	98,800	28,700	24,500	88,900	69,900	28,500	20,300
Total increases	2,626,200	449,000	48,200	105,000	1,309,200	231,600	391,300	91,900
Net increase over base for 1966	2,505,200	449,000	48,200	−16,000	1,309,200	231,600	391,300	91,900
Total difference	+443,000	+130,700	+34,900	−19,200	+54,800	+77,300	+151,200	+13,300

Summary table of net differences

	1965	1966	Difference
Appropriation	$71,100,000	$73,604,000	+$2,504,000
Less: Transfer to "Operating expenses, General Services Administration"	−3,000		+3,000
Adjusted appropriation	71,097,000		
Proposed supplemental (Public Law 88-426)	2,064,000		−2,064,000
Total	73,161,000	73,604,000	+443,000

ANALYSIS OF INCREASE OF $443,000

Reduction in naturalization force		$121,000	−$121,000
Mandatory and obligatory adjustments:			
Within grade salary advancements		$359,600	+359,600
Accident compensation (Public Law 86-767)	$77,400	67,800	− 9,600
Annualization of pay increases (Public Law 88-426)		32,000	+ 32,000
Health insurance change (Public Law 88-284)		10,200	+ 10,200
			+392,200
Construction and repairs:			
Inspection stations	240,000	230,000	− 10,000
Border Patrol stations	103,800	148,000	+ 44,200
Station repairs and alterations	131,800	181,900	+ 50,100
			+84,300
Equipment costs:			
Passenger vehicles	467,500	479,600	+ 12,100
Trucks	404,700	392,600	− 12,100
Aircraft	76,500	64,500	− 12,000
Radio system renewal	234,500	225,100	− 9,400
Emergency generator equipment	128,900	43,100	− 85,800
Records equipment	60,900	41,500	− 19,400
Automatic typewriters		160,000	+160,000
			+33,400
Increases for other purposes:			
Temporary employment records project	182,800	−182,800	
Naturalization film		75,000	+ 75,000
Master index relocation		157,500	+157,500
Alien address program increase		4,400	+ 4,400
			+54,100
Net increase			+443,000

BROAD COMPARISON

This budget reflects a decrease of 12 positions, amounting to $121,000. The total estimate for the fiscal year 1966 is $73,604,000. This is an increase of $443,000 over the anticipated total fiscal year 1965 appropriation of $73,161,000, which includes a proposed supplemental of $2,064,000, and minus $3,000 transferred to the General Services Administration. Major subdivisions of the net increase are:

(1) Mandatory and obligatory adjustments such as within-grade salary promotions, $392,200; (2) construction, $84,300; (3) equipment, $33,400; (4) a miscellaneous net increase resulting from the need for a new naturalization film, $54,100; and (5) the decrease of 12 positions, $121,000.

The obligation and cost adjustments applied to the fiscal year 1965 appropriation, in order to arrive at a base for 1966, are listed by topics and by activities on the statement entitled "Detail of adjustments in base." The adjustments amount to a net decrease of $2,062,200. Applying the net decrease of $2,062,200 to the anticipated total 1965 appropriation of $73,161,000 provides a base of $71,098,800 for purposes of comparison with the 1966 estimate of $73,604,000. This results in a comparative increase over base of $2,505,200 for the fiscal year 1966. The comparative increase is subdivided into an increase of $319,800 for personal services and benefits, and an increase of $2,185,400 for other objects, or a net increase above the base of $2,505,200 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 $2,078,000 for the fiscal year 1965 and $1,938,000 for fiscal year 1966, 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 $5,003,695 for the fiscal year 1964; such funds are not available for obligation by the Service.

Detail of adjustment in base—Obligations

	Total	Inspections	Detention and deportation	Naturalization	Border patrol	Investigation	Immigration and naturalization records	General administration
REDUCTIONS								
1. Passenger vehicle replacements (250)	467,500	67,300	1,900	3,700	235,700	158,900		
2. Trucks (134)	404,700				404,700			
3. Aircraft replacements (5)	76,500				76,500			
4. Emergency power generators	128,900				128,900			
5. Radio system renewal	234,500				234,500			
6. Records equipment	60,900						60,900	
7. Station repairs and alterations	131,800	24,000	14,200	1,700	81,900	3,100	3,700	3,200
8. Border inspection stations (6)	240,000	240,000						
9. Border patrol stations (1)	103,800				103,800			
10. Temporary employment in records	182,800						182,800	
11. Accident compensation	77,400							77,400
Total reductions	2,108,800	331,300	16,100	5,400	1,266,000	162,000	247,400	80,600
ADDITIONS								
12. Annualization of pay increase 3 days	32,000	10,300	2,000	1,700	8,500	5,900	2,100	1,500
13. Alien registration Post Office cost increase	4,400						4,400	
14. Health insurance change	10,200	2,700	800	500	3,100	1,800	800	500
Total additions	46,600	13,000	2,800	2,200	11,600	7,700	7,300	2,000
Net adjustments in base	−2,062,200	−318,300	−13,300	−3,200	−1,254,400	−154,300	−240,100	−78,600

ANALYSIS OF APPROPRIATION BASE

The preceding tabulation, entitled "Detail of adjustment in base," summarizes by items and activities the reductions applied in obligations to arrive at the appropriation base for 1966. The so-called nonrecurring items are listed as reductions in order to arrive at a zero base before taking up requirements for like items in the fiscal year 1966. This eliminates from the base all funds for replacement of passenger vehicles, trucks, and aircraft; for installation of emergency power generator equipment; for renewal of the border patrol radio system; for improvement of equipment housing the master index and for mechanization of visa processing. Funds for construction of border inspection stations, border patrol stations, and for annual repairs to immigration stations have also been deducted. The 1965 fiscal year cost of temporary employment for screening alien files, and for rearranging master index cards to facilitate searching have been deducted from the base for the fiscal year 1966. The cost of accident compensation reimbursable to the employee compensation fund is listed as a reduction before taking up the requirement for a like item in the fiscal year 1966.

The annualization of 3 days of the Federal Employees Salary Act of 1964, Public Law 88-426, effective July 5, 1964, is added to the base in the amount of $32,000 for the fiscal year 1966.

The mounting yearly increase in the number of alien address reports received—for which the Post Office must be reimbursed—cannot be further absorbed. The amount of $4,400 is based on an estimated increase of 50,000 reports at $0.08889 each. The average annual increase has been 96,000 for the past 4 years; 3,335,591 reports were received last year.

Under Public Law 88-284, approved March 17, 1964, female employees enrolled under the provisions of the Federal Employees Health Benefits Act of 1959 in a "Family—Female with nondependent husband" plan had their deductions decreased by $1.30 a pay period. Conversely, the Government contribution increased $1.30 a pay period for each of 301 such employees. Thus, the total annual cost of the increase to the Service is $10,200.

REDUCTION FOR THE FISCAL YEAR 1966

Reduction in naturalization forces (−$121,000)

An annual recurring saving of $121,000 is planned beginning in the fiscal year 1966 by eliminating 12 naturalization examiner positions.

While the overall workload in the naturalization program of the Service is not increasing, the potential for the increase still remains. However, its fruition is not immediate, and in line with the Service's emphasis on economy and programs designed to obtain increased productivity, it has been found possible to budget this saving as a reduction for the fiscal year 1966.

Increases requested for the fiscal year 1966

Passenger vehicle replacements (250):	
1966 program	+$479,600
1965 program	−467,500
Difference	+12,100

As of June 30, 1965, 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 321 vehicles falling within GSA replacement standards during the fiscal year 1966, funds are requested for replacement of 249 sedans and 1 bus. Selection of those vehicles to be replaced is based upon determinations as to the time when rising costs of maintenance make further retention uneconomical. Passenger vehicles used by the Service average approximately 20,500 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 the 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. Anticipated receipts for the sale of old vehicles are reflected in the estimated appropriation reimbursements for the fiscal year 1966. The details making up the total cost of replacements are as follows:

	249 sedans		1 bus amount	Total
	Unit	Amount		
Basic vehicles (gross)	$1,500	$373,500	$14,000	$387,500
Police equipment	380	94,600		94,600
Subtotal	1,880	468,100	14,000	482,100
Sale of old vehicles	−150	−37,400	−400	−37,800
Basic vehicle, net	1,730	430,700	13,600	444,300
Freight	140	34,900	400	35,300
Total	1,870	465,600	14,000	479,600

The projected age and mileage distribution of the passenger vehicle fleet as of June 30, 1965, is as follows:

SEDANS

Model	Age	Number of vehicles	Average mileage
1965	1	250	6,500
1964	2	248	26,000
1963	3	232	50,000
1962	4	184	67,000
1961	5	59	80,000

BUSES

1964	2	2	14,000
1962	4	2	38,000
1961	5	1	35,000
1959	7	1	72,000
1958	8	3	84,000
1955	11	3	90,000
1954	12	2	115,000
1953	13	2	125,000

STATION WAGONS

1961	5	1	52,000
1958	8	2	56,000

The net difference between the 1965 and 1966 passenger vehicle replacement program of $12,100 results from the replacement of 249 sedans and 1 bus in 1966 compared to the replacement of 250 sedans in 1965.

Truck replacements (130):	
1966 program	+$392,600
1965 program	−404,700
Difference	−12,100

Operations of the Border Patrol require the support of a fleet of trucks. The mileage record of the fleet as of June 30, 1965, will be approximately as follows:

Model	Age—Years	Number of vehicles	Average mileage
1965	1	131	4,500
1964	2	125	15,000
1963	3	98	46,000
1962	4	99	53,000
1961	5	62	67,000

Funds are requested for 130 replacements out of the estimated 237 which will fall within General Services Administration replacement schedules during 1966. The net cost of the 130 replacements is computed as follows:

	130 trucks	
	Unit	Amount
Vehicles, gross	$2,930	$380,900
Sale of old vehicles	−110	−14,300
Vehicles, net	2,820	366,600
Freight	200	26,000
Total	3,020	392,600

The net decrease of $12,100 between the 1965 and the 1966 truck replacement program results from four less trucks being replaced in 1966.

Aircraft replacements (3):	
1966 programs	+$64,500
1965 program	−76,500
Difference	−12,000

The Border Patrol operates 25 light aircraft and 6 transport aircraft in its mission of guarding and controlling the borders. The transport aircraft were obtained from the military services as surplus at no cost to the Service. The light aircraft are assigned to stations on the Mexican and Canadian borders for mobile aerial observation points to keep large areas of the border and adjacent territory under surveillance during daylight hours. Persons observed entering the United States illegally, or persons observed whose tracks indicate that they have entered at a place other than a designated port of entry, are reported by radio communication to officers in ground vehicles. While awaiting the arrival of such officers, the pilot maintains surveillance of the persons and if necessary gives radio directions to bring the officers into a position to intercept. 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 several years. A replacement standard of a maximum of 4 years has been established for the remaining 22 observation type aircraft. As these aircraft are flown in close proximity to the ground for a major portion of the time while being operated, operation beyond the standard which has been established might result in internal structural metal fatigue while in flight. Such metal fatigue might cause a failure which at low altitude flight could result in an accident. Also, more efficient operation is attained when a pilot has a sense of security because of his belief in the complete airworthiness of his aircraft.

Replacement of three observation aircraft will be required during the fiscal year 1966 as shown by the following table of observation aircraft in use on June 30, 1965:

Number of planes	Years of age	Replace in fiscal year 1966
5	1	----------
8	2	----------
6	3	----------
3	4	3
[1] 22	----------	3

[1] Does not include 2 DeHaviland Beavers and 1 Cessna 310D not to be replaced.

The aircraft to be replaced are as follows:

Identification number	Make	To be replaced by
N2834Y	Cessna 182	Cessna 182.
N2836Y	do	Do.
N-181-U	Cessna 185	Cessna 185.

The two Cessna 182's, to be purchased, will each cost $21,000 equipped. After deducting $500 each for the sale of the old planes, the net price will be $20,500, or $41,000 for both planes.

The Cessna 185 to be purchased will cost $24,000 equipped. After deducting $500 for the sale of the old plane, the net unit price and replacement cost will be $23,500. Thus total replacement cost will be $64,500.

The net decrease of $12,000 for aircraft replacements in 1966 compared to 1965 results from the replacement of three aircraft in 1966 while five aircraft were scheduled for replacement in 1965. The 1965 schedule called for replacement of four Piper Super Cubs and one Cessna, while the 1966 schedule requires replacement of three Cessnas.

Emergency power generator equipment:	
1966 program	+$43,100
1965 program	−128,900
Difference	−85,800

Emergency power generators are required at certain critical radio repeater sites. The maintenance of vital communication links provided through radio repeater stations, usually in isolated locations, is dependent upon the availability of emergency power supplies. The success of operations, including control of the borders, depends to a great extent upon the communication system. Immediate communication is frequently necessary for the protection of officers, particularly when they are working alone to conserve manpower. Each installation will be equipped with automatic changeover accessories so that the generators will start if and when the regular electrical supply is interrupted. The cost will vary considerably with the size and location of the installation. Installation of emergency power generator equipment in the fiscal year 1966 is a continuation of the 1965 phase of the program. It is proposed to install the equipment at the critical locations listed on the following page, during the fiscal year 1966 at an estimated cost of $43,100.

Emergency power generator equipment

Radio repeater stations:	*Estimated cost*
Childs Peak, Ariz	$976
White Tanks, Ariz	1,057
Blue Ridge Mountain, Calif	976
Briarcrest, Calif	976
Diablo Mountain, Calif	976
Loma Prieta, Calif	976
Lyons Peak, Calif	976
Santa Ynez, Calif	976
May Mountain, Maine	976
New Sweden, Maine	976
Aurora, Minn	1,520
Net Lake, Minn	1,520
Cannon Mountain, N.H	976
Long Ridge, N. Mex	1,520
Pinos Altos, N. Mex	1,019
Dix Hill, N.Y	976
Lockport, N.Y	976
Malone, N.Y	976
Worden Hill, N.Y	976
Bear Butte, N. Dak	1,520
Gardner, N. Dak	$1,520
Alvin, Tex	976
Calallen, Tex	976
Del Rio tower, Tex	1,300
Falfurrias, Tex	1,136
Laredo tower, Tex	2,236
Faysville, Tex	1,200
Mines Road, Tex	976
Pyote, Tex	976
Port Isabel, Tex	976
Rio Grande City, Tex	976
Beecher Falls, Vt	976
Killington, Vt	976
Blyn Mountain, Wash	1,520
Galbraith Mountain, Wash	1,520
Mount Spokane, Wash	1,520
Squak Mountain, Wash	1,520
Total	43,100

Radio system renewal:	
1966 program	+$225,100
1965 program	−234,500
Difference	−9,400

Additional border patrol sectors require the implementation of UHF multiplex in the FM mobile system of the Service. Installations of UHF multiplex systems in the fiscal year 1966 are planned for the Del Rio and Tucson sectors. These systems will provide improved coverage and better utilization of the border patrol repeater system by breaking the system into more easily manageable geographical groups, under the control of the sector headquarters.

Nominal quantities of VHF repeaters, antennas, vehicular sets, and hand carried portables are required for replacement of obsolete or damaged equipment. VHF–FM base stations are to be installed in the smaller offices of the Service to provide contact with mobile units and sector headquarters.

FM aircraft sets are of the new light-weight type for phasing out the heavier sets presently in use. Such weight improvement is critical in light aircraft. The navigational aid equipment is needed for one of the transport type aircraft in order to meet increased demand for navigational accuracy and aircraft identification in high density air traffic areas.

Single sideband exciters, linear amplifiers and HF antennas are required for replacement of sets which are excessively old and obsolete, and to update the HF network. The exciters will have four transmit and four receive channels.

Up-to-date test equipment is required to maintain both the HF–SSB and FM networks, and to conform to Interdepartmental Radio Advisory Committee requirements for proper transmissions.

Charts showing equipment location assignments appear on the following pages.

Radio system renewal

Location	UHF base station	UHF				Towers	Feet of RF line	UHF duplexers	UHF antennas
		WB U–4	NB U–2	NB U–2	MPX chassis				
Del Rio, Tex	1	3	2	2	3	4	3,000	12	12
Tucson, Ariz	1	3	1	3	3	1	3,000	9	9
El Paso, Tex							1,000		
Quantity	2	6	3	5	6	5	7,000	21	21
Unit cost	$15,000	$6,000	$3,000	$1,200	$800	$5,000	$1.30	$400	$240
Total cost	$30,000	$36,000	$9,000	$6,000	$4,800	$25,000	$9,100	$8,400	$5,040
Subtotal, $133,340.									

Location	VHF antenna	VHF 4-unit repeaters	VHF–FM base station	VHF–FM mobiles	Hand carried portables	Test sets	FM A/C sets	Navigational aid
Northwest region	4	2	5	2		3		
Northeast region	3	1	5	2		2		
Southwest region	3	2	8	4	8	4	4	1
Southeast region			2	2	3	1		
Quantity	10	5	20	10	11	10	4	1
Unit cost	$100	$2,000	$550	$550	$500	$1,000	$700	$12,000
Total cost	$1,000	$10,000	$11,000	$5,500	$5,500	$10,000	$2,800	$12,000
Subtotal, $57,800.								

HF–SSB

Location	Exciter	Linear amplifier	Antennas	Consoles
Del Rio, Tex	1	1		
Tucson, Ariz	1	1	2	1
St. Albans, Vt	1	1	2	1
El Paso, Tex	1	1		1
Marfa, Tex	1	1		
Havre, Mont			2	1
Spokane, Wash			2	1
Blaine, Wash			2	1
Quantity	5	5	10	6
Unit cost	$2,500	$2,500	$115	$1,300
Total cost	$12,500	$12,500	$1,150	$7,800
Subtotal, $33,950. Grand total, $225,100.				

Records equipment:	
1966 program	+$41,500
1965 program	−60,900
Difference	−19,400

Service records grow each year as other workload activities increase. Modern records equipment must be employed as new systems and procedures are applied to records functions to absorb the growth and avoid substantial manpower increases.

Forms I–94, arrival-departure record, containing information regarding each alien's admission and departure are maintained permanently in a master index in accordance with the provisions of section 290(a) of the Immigration and Nationality Act. Also, there is an index card for each case file. The master index is housed in 63 mechanical index machines. The mechanical equipment housing the master index has reached its capacity in volume. About 3,500,000 index cards will be filed in the master index in the fiscal year 1966 and approximately 400,000 cards from the master index each year will be destroyed or routed to files. This will leave a net expansion growth of 3,100,000 index cards in the fiscal year 1966. The Service will then require five additional index machines with a capacity of about 5,000 filing inches each to handle the normal expansion requirements. The machines similar to those now in operation will cost $6,500 each installed, a total of $32,500.

Four machine card sorters are used in conjunction with the mechanical index equipment. They facilitate the sorting of index documents by name, country, and date of birth preparatory to filing. One machine purchased in 1958 should be replaced in the fiscal year 1966 because the normal useful life of the equipment will have been reached. The machine card sorter will cost $9,000.

This record equipment for the fiscal year 1966 is estimated to cost $41,500.

Master index relocation:	
1966 program	+$157,500
1965 program	
Difference	+157,500

The master index contained about 37 million index cards at the end of the fiscal year 1964. About 3.5 million are being added each year and about 400,000 are being withdrawn each year. The index is housed by 63 mechanical index machines, 3 being added in the fiscal year 1965. Five additional machines will be required in each of the fiscal years 1966, 1967, 1968, and some additions may be required in subsequent years, until the use of electronic equipment becomes feasible.

Limitations in the building make it impossible to install any more index machines at this location. A number of office operations are already seriously handicapped due to a lack of adequate space. The only recourse is to relocate the index machine section.

It is planned that the index machines will be housed in less expensive space than that currently in use and their relocation will be preparatory to conversion to electronic equipment when and if that time comes.

The estimated cost for relocating the master index to other quarters and relating expenses is as follows:

Construction of platform to accommodate 84 machines	$70,000
Electric wiring	20,000
Moving, installing, and housing machines	51,000
Remove existing platform, repair floor, install new floor covering and rehabilitate area	16,500
Total	157,500
Automatic typewriters:	
1966 program	+$160,000
1965 program	----------
Difference	+160,000

Whenever an application for naturalization is received approximately 8 to 10 forms must be typed in separate operations at various stages of processing. Since over 150,000 such applications are received each year the clerical work is voluminous. A new system using tape operated typewriters will mechanize the processing of most of the forms. Under the system a maximum of 10 typing operations will be executed automatically using perforated tapes. An automatic typewriter, two tape readers, and a paper tape punch are the basic pieces of equipment to be used for each unit. The following table shows a breakdown of the cost of equipment to be installed at 13 locations:

Estimate of total equipment needs

Location	Units needed	1965 Federal supply schedule price list, FSC group 74, pt. 1
New York, N.Y.	7	$37,990.40
Los Angeles, Calif.	4	21,708.80
Newark, N.J.	3	16,281.60
Chicago, Ill.	3	16,281.60
San Francisco, Calif.	2	10,854.40
Boston, Mass.	2	10,854.40
Detroit, Mich.	2	10,854.40
Cleveland, Ohio	2	10,854.40
Buffalo, N.Y.	1	5,427.20
Philadelphia, Pa.	1	5,427.20
San Antonio, Tex.	1	5,427.20
Miami, Fla.	1	5,427.20
Hartford, Conn.	1	5,427.20
Total	30	162,816.00
Budget roundoff	----------	2,816.00
Rounded total	----------	160,000.00

Repairs and alterations:	
1966 program	+$181,900
1965 program	−131,800
Difference	+50,100

There is a continuing need for repairs and alterations to Government-owned buildings for which the Service is holding agency. Many of the structures and mechanical installations are old and worn and require constant attention. It is not always possible to forecast and schedule in advance the exact items required in a particular fiscal year because unexpected mechanical failures, storm damage, and other emergencies require the diversion of funds to provide for an immediate and critical requirement. Because the 1965 allocation of $131,800 has been deducted from the base, the entire 1966 requirement of $181,900 is listed as an increase.

Major anticipated items in the 1966 budget estimate include:

San Pedro, Calif.: Replace unsafe electrical wiring and obsolete lighting fixtures, repair heating system, repair deteriorated paving, repair waterlines.

Honolulu, Hawaii: Repair roof of office building, replace unsafe electrical wiring.

El Centro, Calif.: Repair roof, install additional fencing, repair paving.

Marfa, Tex.: Repair paving.

Yuma, Ariz.: Replace unsafe electrical wiring, paint interior and exterior of buildings.

Chula Vista, Calif.: Replace water distribution pipes, convert to natural gas, paint pistol range building.

Border patrol stations: Paint buildings, repair paving.

Border stations: Erection of storage sheds, paint buildings.

Port Isabel, Tex.: Paint buildings, erect parking shed for official automobiles, repair paving, repair detention building roof, provide asphalt surfacing of road.

Repeater stations, towers, and associated housing units: Paint towers and equipment housing units, change tower lights.

The following pages show the actual obligations for the fiscal year 1964, the amounts allocated for the fiscal year 1965, and the estimate for the fiscal year 1966 for each station.

Repairs and alterations to immigration stations by stations and projects

	Actual, 1964	Estimate, 1965	Estimate, 1966
Immigration stations:			
San Pedro, Calif.	$4,828	$10,800	$13,300
Honolulu, Hawaii	121	4,600	3,100
El Centro, Calif.	9,445	18,500	8,700
Inspection and detention station: Opa Locka, Fla.	147	500	3,100
Detention station and sector headquarters: El Paso, Tex.	5,803	----------	----------
Sector headquarters:			
McAllen, Tex.	1,299	4,000	2,100
Marfa, Tex.	930	1,100	2,000
Laredo, Tex.	1,974	2,500	2,000
Del Rio, Tex.	330	----------	----------
Tucson, Ariz.	644	200	----------
Yuma, Ariz.	3,999	1,700	5,500
Chula Vista, Calif.	3,764	7,300	7,200
Border patrol stations	13,425	20,000	18,900
Border stations	17,563	20,000	48,700
Port Isabel, Tex.	22,088	36,900	33,400
Repeater stations, tower and associated housing units	10,634	3,700	33,900
Grand total	96,994	131,800	181,900

Border inspection stations:	
1966 program	+$230,000
1965 program	−240,000
Difference	−10,000

At a number of locations along the land borders, the buildings and adjunct facilities used by the Service in the inspection of persons entering the United States are most inadequate. Stations which were constructed in the 1930's have a very small office and two undersized apartment units in the one building. In addition to being crowded, there is practically no privacy between the living quarters and the office. In many areas, housing conditions for officers are very unsatisfactory and rental units are either unavailable or substandard.

Under the guidance of the Bureau of the Budget, the Service and the Bureau of Customs have agreed upon a program for construction of required projects. Facilities are required at 23 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.) Under this law, the Secretary of the Treasury and the Attorney General are authorized to expend from appropriations for the 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 bordes at which no Federal or other buildings adapted or suitably located for the purposes are available. The estimate for the fiscal year 1966 provides for construction projects at eight locations

While the actual cost will vary depending on local pay scales, subsurface conditions, availability of utility lines, site preparation, etc., the overall estimate, developed on the basis of average conditions follows:

	Square feet	Unit	Amount
Station building	1,110	$18	$20,000
Canopy	500	13	6,500
Site, utility installation, etc.			15,000
Grading, approaches and driveways			10,000
Total for station without living quarters			51,500
Cottage	1,215	15	18,200
Garage	300	6	1,800
Total for living quarters			20,000
Appliances:			
Per cottage			1,250
Per station building			1,000

The entire border inspection station program recommended for the fiscal year 1966 is summarized as follows:

Location	Cost of station	Cottages		Appliances	Total cost	I. & N. cost
		Number	Amount			
Danville, Wash.	$46,500	[1] 2	$30,000	$3,500	$80,000	$40,000
Laurier, Wash.		1	23,750	1,250	25,000	12,500
Lukeville, Ariz.		([2])	20,000		20,000	10,000
Portal, N. Dak.		4	95,000	5,000	100,000	50,000
Raymond, Mont.		3	76,250	3,750	80,000	40,000
Sherwood, N. Dak.	[3] 21,500	2	40,000	3,500	65,000	32,500
Turner, Mont.		([4])	25,000		25,000	12,500
Westhope, N. Dak.	[3] 21,500	2	40,000	3,500	65,000	32,500
Total	89,500		350,000	20,500	460,000	230,000

[1] Includes conversion of old station into a cottage.
[2] Improvements to 3 cottages.
[3] Renovate station.
[4] Improvements to 2 cottages.

1. Danville, Wash.

The present station is located at the border on Highway 4–A but is on the wrong side of the highway. All traffic entering the United States must cross the path of northbound traffic to reach the station for inspection. Approximately 41,000 persons enter at Danville, annually. Port hours are 8 a.m. to 10 p.m., June through September and 8 a.m. to 8 p.m., October through May. The station is manned by one immigration officer and two customs officers. No rental housing is available in the vicinity of the station, the nearest being approximately 31 miles distant. It is proposed to construct an office building, one residence and convert the present station to a residence.

2. Laurier, Wash.

One immigration officer and two customs officers are assigned to this port. Only two Government-owned cottages are available. There is no rental housing in the vicinity of the station, the nearest being approximately 40 miles distant. It is proposed to construct one cottage at Laurier.

3. Lukeville, Ariz.

At the time three cottages were constructed at this location in the fiscal year 1961, it was necessary to delete the utility room and carport from each unit because of cost limitations then in effect. Utility rooms are essential for general storage purposes and particularly for tools and garden equipment, much of which must be kept out of doors. Carports are urgently required because of the severity of the climate in this desertlike area.

4. Portal, N. Dak.

The housing situation is very critical for immigration and customs officers assigned to this port. At the time of a recent survey, there were no rental units available except one or two houses in very poor condition; and they lacked a water system. The rental situation in nearby towns is similar to that in Portal. Government officers must compete for rental housing with oil and missile workers in the area. Five immigrant inspectors, 5 patrol inspectors, and 10 customs inspectors are assigned to this location. It is proposed to construct four cottages at Portal to relieve the officer housing problem at this port.

5. Raymond, Mont.

The station at this location was constructed in the late 1930's. The facility consists of a small office and two unsatisfactory apartment units which are not only small but are so constructed that the occupants lack the minimum of privacy between the living units. The port is staffed by one immigration officer and two customs officers. It is proposed to utilize the station building for office space and relief officers quarters and to construct three cottages for the officers assigned to the station.

6. Sherwood, N. Dak.

The station at this location was constructed approximately 27 years ago. It was designed to provide a very small office and two living units, which are grossly inadequate and afford no privacy to the occupants. The port is staffed by one immigrant inspector and one customs inspector. It is proposed to construct two cottages for rent to the officers assigned to the port and to renovate the station building to provide an adequate office and suitable relief officer quarters.

7. Turner, Mont.

At the time a station and two cottages were constructed at this location in the fiscal year 1959, it was necessary to omit basements and other essential features because of cost limitations. It is proposed to replace the asbestos shingles on the exterior of the residences with aluminum siding, construct additional storage space that is urgently required and to make other improvements to the station and cottages.

8. Westhope, N. Dak.

The station at this location was constructed approximately 27 years ago. The station consists of a very small office and two living units which are not only most inadequate in size and accommodations, but there is little privacy between the respective units. The port is staffed by one immigrant inspector and one customs inspector. It is proposed to construct two cottages for the officers and to renovate the station building to provide an adequate office and suitable relief officer's quarters.

Border patrol station:	
1966 program	+$148,000
1965 program	−103,800
Difference	+44,200

The efficiency of border patrol operations, the problems of which grow more acute each year, is affected to a great degree by the design and location of facilities and housing to accommodate patrol units and officers assigned to those units. Border patrol station locations must have adequate parking space with immediate accessibility for patrol vehicles; private interview rooms; and provisions for temporarily holding law violators. There are 30 border patrol projects in the long-range program scheduled for construction under the authority available to the Immigration and Naturalization Service. The program is scheduled as follows: Two projects are planned for the fiscal year 1966; five in 1967; five in 1968; five in 1969; six in 1970; and seven in 1971. The border patrol station program for the fiscal year 1966 is summarized hereunder:

Location	Cost of station	Cottages		Appliances	Total cost
		Number	Amount		
Presidio, Tex.		5	$100,000	$8,000	$108,000
Wolf Point, Mont.	$40,000				40,000
Total	40,000		100,000	8,000	148,000

1. Presidio, Tex.

Housing units are desperately needed for border patrol officers assigned to this location. Presidio is located on the Rio Grande River. Most of the houses are substandard and few rental units are available. Because most residents are in a low-income category, there has been no interest in the construction of rental housing. The Presidio Border Patrol Station has had to be designated by the border patrol as a hardship station primarily because of the critical housing situation. The station has a complement of 12 officers. It is proposed to construct five cottages at this location.

2. Wolf Point, Mont.

The present station is located in unsatisfactory rented space on the second floor of a lodge hall. The entrance to the office is just off the foyer to the main dance floor and bar, which provide a questionable atmosphere for the conduct of official Government business. No other suitable space is available. Three officers are assigned to the station. A new station having the required minimum facilities, including an attached garage, will be constructed.

Accident compensation:	
1966 program	+$67,800
1965 program	−77,400
Difference	−9,600

On December 13, 1960, 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 legislation the Secretary of Labor furnishes to each agency the cost of benefits paid during the preceding fiscal year and the agency includes that amount in the annual budget estimates for the next 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 for claims resulting from injuries or death during the fiscal year 1964 was $67,800.

Naturalization film:	
1966 program	+$75,000
1965 program	
Difference	+75,000

The citizenship program conducted by this Service strives to afford every qualified alien the opportunity to become a citizen through the naturalization process.

Service films are used as one of the media to explain the naturalization process and encourage potential candidates to apply for citizenship. One such film is "Twentieth Century Pilgrim" which was produced in 1951. The main character in the film portrays a typical alien applying for naturalization and becoming naturalized. Its principal purpose is to dispel the apprehensions and fears many aliens have about applying for naturalization and to instill the importance of taking such steps. Changes in naturalization procedures, customs, and modes of dress require that the film be replaced with an updated version. The film to be produced will be 28 minutes long and 4 or 5 characters will be used with scenes shot at approximately 20 different locations. The total cost is estimated to be $75,000.

Statutory salary advancements:	
1966 program	+$359,600
1965 program	(1)
Difference	+359,600

[1] The amount of $455,400 was allowed as an increase in the fiscal year 1965. This represents a continuing requirement and remains in the base.

The total estimated cost of within-grade promotions in the fiscal year 1966 is $742,200, as compared with $766,900 in the fiscal year 1965. The total cost has been reduced by $74,600 (10 percent) to allow for the fact that due to turnover and promotions not all within-grade advancements for which present employees would become eligible will be made. The Service will absorb 46 percent of this amount or $308,000. The remainder of $359,600 amounts to approximately $51 per employee. The unabsorbed amount required of $359,600 includes $335,400 for personnel compensation, $900 for the Government's share of employee life insurance, and $23,300 for the Government's contribution to the employee retirement fund, which will increase as a result of the statutory promotions.

Employees are advanced in compensation to each of the first three within-grade rates after a waiting period of 1 year, to each of the next three within-grade rates after a 2-year waiting period, and to each additional within-grade rate after a waiting period of 3 years, provided the employee's work is of an acceptable level of competence.

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. Lowered personnel turnover is desirable. However, unless funds are provided concurrently to cover the statutory salary advancements, the cost can be absorbed only by forcible retention of positions on a vacancy basis far beyond periods required for a normal recruitment process. This the Service cannot afford to do and continue to carry out its law enforcement functions.

For the last few years the Service's personnel losses per month have averaged 0.7 percent. The estimate of $359,600 is equivalent to 47 man-years, which makes it impossible for the Service to absorb the statutory cost by normal attrition within a 1-year period. To do so would necessitate arbitrary action in withholding recruitment approximately 12 months per vacancy to enforce lapse savings of approximately 7 percent as compared with the normally accepted lapse of approximately 3 percent for most agencies in the Federal Government. Concurrently, the performance of the Service's law enforcement functions would be greatly affected.

Over the years, the cost of the permanent work force has increased $7,203,419 over the minimum of the grade due mostly to statutory advancements. Much of this increase is being absorbed in the large lapse of $3,516,870.

Consolidated comparison of program costs—By objects

	1964 actual	1965 estimate	Net adjustment	Base	Increase (+) or decrease (−)	1966 estimate
EMPLOYMENT SUMMARY						
Permanent positions	7,058	7,097		7,097	−12	7,085
Positions equivalent of required savings due to lapses	489	575	+47	622	−47	575
Average number of permanent positions	6,569	6,522	−47	6,475	+35	6,510
Full-time equivalent of temporary and part time positions	106	173	−44	129		129
Average number of all positions	6,675	6,695	−91	6,604	+35	6,639
10 Personal services and benefits:						
11 Personnel compensation:						
Total permanent	$51,603,091	$54,764,917	+$367,000	$55,131,917	−$99,850	$55,032,067
Pay above the stated annual rate	473,946	209,703		209,703		209,703
Deduct lapses	2,781,814	3,485,320	+367,000	3,852,320	−335,450	3,516,870
Net savings due to lower pay scale for part of year	1,080,000	25,000				
Net permanent	48,215,223	51,464,300	+25,000	51,489,300	+235,600	51,724,900
Temporary employment	197,322	445,300	−162,900	283,400		283,400
Part-time employment	4,659	5,200		5,200		5,200
Intermittent employment	331,780	387,200		387,200		387,200
Payments to other agencies for reimbursable details	7,065	7,900		7,900		7,900
Overtime	371,476	396,100		396,100		396,100
Premium compensation	2,139,519	2,244,600	+3,400	2,248,000		2,248,000
Holiday pay	43,913	52,200		52,200		52,200
Night differential	263,334	280,500	−12,000	268,500		268,500
Extra compensation (act of Mar. 2, 1931): Nonreimbursable	1,914,359	2,335,600	+3,600	2,339,200		2,339,200
Additional pay for service abroad	135,177	148,900		148,900		148,900
Casual workers	21,755	27,300		27,300		27,300
Pay of detainees	3,166	3,000		3,000		3,000
Rewards	83,537	88,000		88,000		88,000
Witness fees	843	800		800		800
Total, personnel compensation	53,733,128	57,887,900	−142,900	57,745,000	+235,600	57,980,600

Consolidated comparison of program costs—By objects—Continued

	1964 actual	1965 estimate	Net adjustment	Base	Increase (+) or decrease (−)	1966 estimate
EMPLOYMENT SUMMARY—continued						
10 Personnal services and benefits—Continued						
12 Personel benefits:						
Accident compensation	$33,550	$77,400	−$77,400		+$67,800	$67,800
Foreign quarters allowance	150,599	173,200		$173,200		173,200
Foreign education allowance	21,353	27,100		27,100		27,100
Uniforms allowance	290,156	292,600		292,600		292,600
Transfer and lodging allowance	775	900		900		900
Group life insurance, Government contribution	163,442	175,700		175,700	+600	176,300
FICA taxes, Government contribution	33,534	45,700	−5,800	39,900		39,900
Incentive awards	99,753	55,200		55,200		55,200
Employees Health Benefits Act	410,345	421,000	+10,200	431,200	−1,000	430,200
Payments to retirement fund, Government contribution	3,089,944	3,297,200		3,297,200	+16,800	3,314,000
Total, personnel benefits	4,293,451	4,566,000	−73,000	4,493,000	+84,200	4,577,200
Total, personal services and benefits	58,026,579	62,453,900	−215,900	62,238,000	+319,800	62,557,800
OTHER COSTS						
20 Contractual services and supplies:						
21 Travel and transportation of persons	2,102,826	2,085,100		2,085,100	−10,800	2,074,300
22 Transportation of things	288,013	347,900	−61,800	286,100	+61,300	347,400
23 Rent, communications, and utilities	1,446,214	1,594,800		1,594,800	−2,000	1,592,800
24 Printing and reproduction	460,998	498,592	−28,092	470,500		470,500
25 Other services	1,475,012	1,593,858	−133,258	1,460,600	+325,600	1,786,200
Services performed by other Government agencies	491,977	510,300	+4,400	514,700		514,700
Unvouchered	50,000	50,000		50,000		50,000
26 Supplies and materials	2,075,234	2,155,625	−38,625	2,117,000	+1,000	2,118,000
30 Acquisition of capital assets:						
31 Equipment	1,063,299	2,145,612	−1,853,412	292,200	+1,345,100	1,637,300
32 Lands and structures	292,388	730,451	−730,451		+465,200	465,200
40 Grants and fixed charges:						
42 Insurance claims and indemnities	13,519	13,500		13,500		13,500
44 Refunds	31,629	31,000		31,000		31,000
Total, other costs	9,791,109	11,756,738	−2,841,238	8,915,500	+2,185,400	11,100,900
Total	67,817,688	74,210,638	−3,057,138	71,153,500	+2,505,200	73,658,700

Deduct quarter charges	54,697	54,700		54,700		54,700
Total costs	67,762,991	74,155,938	−3,057,138	71,098,800	+2,505,200	73,604,000
Costs financed from obligations of other years, net (−)		−994,938	+994,938			
Obligations incurred for costs of other years, net	351,055					
Total obligations	68,114,046	73,161,000	−2,062,200	71,098,800	+2,505,200	73,604,000

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	−$142,900		−$142,900
12 Personnel benefits	−73,000		−73,000
Other obligations:			
20 Contractual services and supplies:			
22 Transportation of things	−61,800		−61,800
24 Printing and reproduction		−$28,092	−28,092
25 Other services	−78,300	−50,558	−128,858
26 Supplies and materials	−3,100	−35,525	−38,625
Other obligations—Continued			
30 Acquisition of capital assets:			
31 Equipment	−$1,311,200	−$542,212	−$1,853,412
32 Lands and structures	−391,900	−338,551	−730,451
Total	−2,062,200	−994,938	−3,057,138

Summary of personal services and benefits

	1964			1965			1966		
	Department	Field	Total	Department	Field	Total	Department	Field	Total
PERSONAL SERVICES AND BENEFITS									
Personnel compensation:									
Net permanent	$3,368,587	$44,846,636	$48,215,223	$3,592,200	$47,872,100	$51,464,300	$3,610,400	$48,114,500	$51,724,900
Temporary employment	73,542	123,780	197,322	166,300	280,000	446,300	105,600	177,800	283,400
Part-time employment	2,310	2,349	4,659	2,600	2,600	5,200	2,600	2,600	5,200
Intermittent employment	2,809	328,971	331,780	3,300	383,900	387,200	3,300	383,900	387,200
Payments to other agencies for reimbursable details		7,065	7,065		7,900	7,900		7,900	7,900
Overtime	28,053	343,423	371,476	29,900	366,200	396,100	29,900	366,200	396,100
Premium compensation		2,139,519	2,139,519		2,244,600	2,244,600		2,248,000	2,248,000
Holiday pay	588	43,325	43,913	700	51,500	52,200	700	51,500	52,200
Night differential	15,871	247,463	263,334	16,900	263,600	280,500	16,200	252,300	268,500
Extra compensation (Act Mar. 2, 1931):									
Nonreimbursable		1,914,359	1,914,359		2,335,600	2,335,600		2,339,200	2,339,200
Additional pay for service abroad		135,177	135,177		148,900	148,900		148,900	148,900
Casual workers		21,755	21,755		27,300	27,300		27,300	27,300
Pay of detainees		3,166	3,166		3,000	3,000		3,000	3,000
Rewards		83,537	83,537		88,000	88,000		88,000	88,000
Witness fees		843	843		800	800		800	800
Total, personnel compensation	3,491,760	50,241,368	53,733,128	3,811,900	54,076,000	57,887,900	3,768,700	54,211,900	57,980,600
Personnel benefits:									
Accident compensation		33,550	33,550		77,400	77,400		67,800	67,800
Foreign quarters allowance		150,599	150,599		173,200	173,200		173,200	173,200
Foreign education allowance		21,353	21,353		27,100	27,100		27,100	27,100
Uniform allowance	642	289,514	290,156	700	291,900	292,600	700	291,900	292,600
Transfer and lodging allowance		775	775		900	900		900	900
Group life insurance, Government contribution	11,693	151,749	163,442	12,600	163,100	175,700	12,600	163,700	176,300
FICA taxes, Government contribution	5,248	28,286	33,534	7,200	38,500	45,700	6,300	33,600	39,900
Incentive awards	4,045	95,708	99,753	2,300	52,900	55,200	2,300	52,900	55,200
Employees Health Benefits Act	19,716	390,629	410,345	20,200	400,800	421,000	20,700	409,500	430,200
Payment to retirement fund, Government contribution	215,303	2,874,641	3,089,944	229,500	3,067,700	3,297,200	230,700	3,083,300	3,314,000
Total, personnel benefits	256,647	4,036,804	4,293,451	272,500	4,293,500	4,566,000	273,300	4,303,900	4,577,200
Total, personal services and benefits	3,748,407	54,278,172	58,026,579	4,084,400	58,369,500	62,453,900	4,042,000	58,515,800	62,557,800

Statement of reimbursements

	1964 actual			1965 estimate			1966 estimate		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total	Federal	Non-Federal	Total
BY OBJECT									
10 Personal services and benefits	2,980	1,638,430	1,641,410	3,800	1,703,700	1,707,500	3,800	1,716,700	1,720,500
20 Contractual services and supplies	43,231	165,876	209,107	23,700	140,200	163,900	23,700	140,200	163,900
30 Acquisition of capital assets	132,476	136,763	269,239	151,900	54,700	206,600	----------	53,600	53,600
Total	178,687	1,941,069	2,119,756	179,400	1,898,600	2,078,000	27,500	1,910,500	1,938,000
BY SOURCE									
Transportation lines:									
Maintenance and detention	----------	5,124	5,124	----------	5,000	5,000	----------	5,000	5,000
Hospitalization	----------	359	359	----------	300	300	----------	300	300
Inspection overtime	----------	1,625,556	1,625,556	----------	1,693,000	1,693,000	----------	1,706,000	1,706,000
Guarding aliens in direct transit	----------	491	491	----------	----------	----------	----------	----------	----------
Sale of equipment (automobiles, trucks, etc.)	300	136,763	137,063	400	54,700	55,100	----------	53,600	53,600
Lands and structures (Customs)	132,176	----------	132,176	151,500	----------	151,500	----------	----------	----------
Miscellaneous (meals and quarters, textbooks, travel, salaries, utilities, communication, etc.)	46,211	172,776	218,987	27,500	145,600	173,100	27,500	145,600	173,100
Total	178,687	1,941,069	2,119,756	179,400	1,898,600	2,078,000	27,500	1,910,500	1,938,000

Summary of permanent force by principal groups

	Actual, 1964	Estimate, 1965	Estimate, 1966
Field:			
Immigrant inspectors	1,232	1,256	1,256
Patrol inspectors	1,434	1,434	1,434
Special inquiry officers	34	34	34
General attorneys	6	6	6
Trial attorneys	23	23	23
Airplane pilots	59	59	59
Naturalization examiners	184	184	172
Investigators	767	767	767
Deportation officers	16	15	15
Officers in charge, supervisory, and administrative officers	325	325	325
Port receptionists	40	40	40
Clerks, etc	2,123	2,139	2,139
Detention guards	228	228	228
Custodial	110	110	110
Total permanent, field	6,581	6,620	6,608
Central office	477	477	477
Grand total	7,058	7,097	7,085

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.
5. Investigating aliens' status.	5. To investigate violations of the Immigration and Nationality Act in support of deportation or denaturalization proceedings.
6. Immigration and naturalization records.	6. To receive, record, file and produce documents of entry, departure, and naturalization of aliens; maintain a registration record of all aliens who are in or who enter the United States.
7. General administration.	7. To provide services to facilitate and support operational activities.

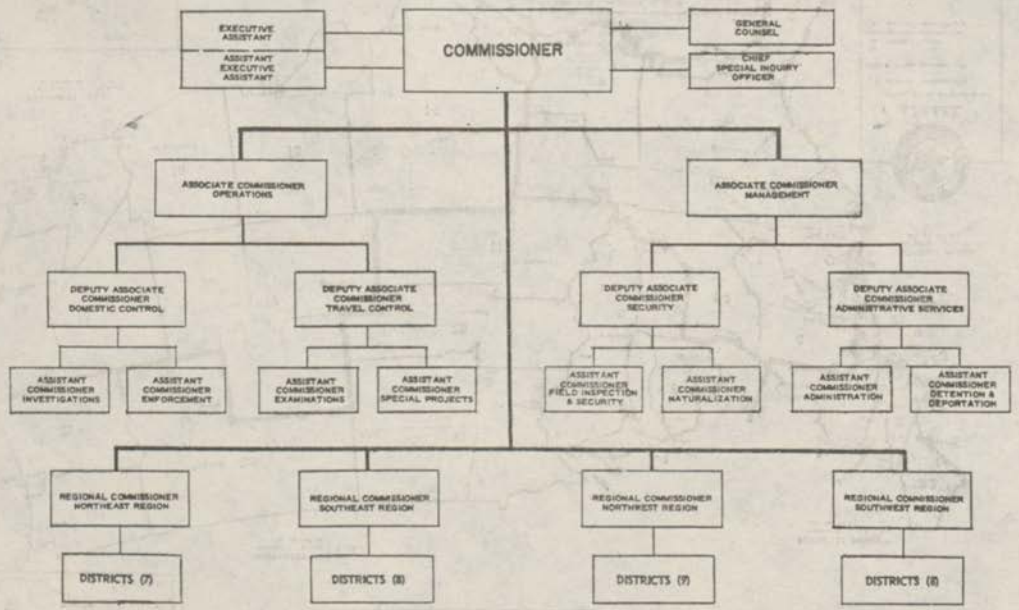
Organization

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.

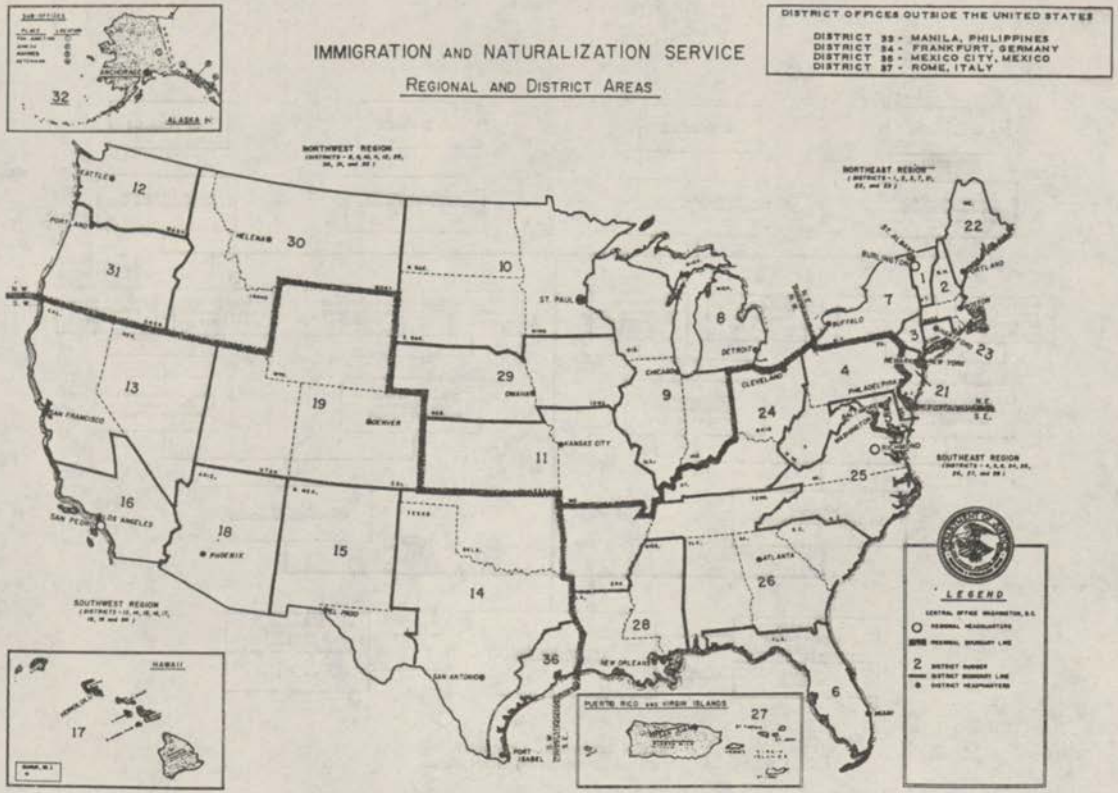
Explanation of language change

A change is required to make the 1966 appropriation available for the replacement of three light airplanes. A table and other data in support of the replacements appear in the increase section.

UNITED STATES DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE



SEPTEMBER 1962


IMMIGRATION AND NATURALIZATION SERVICE
REGIONAL AND DISTRICT AREAS
DISTRICT OFFICES OUTSIDE THE UNITED STATES
DISTRICT 33 - MANILA, PHILIPPINES
DISTRICT 34 - FRANKFURT, GERMANY
DISTRICT 36 - MEXICO CITY, MEXICO
DISTRICT 37 - ROME, ITALY
NORTHWEST REGION
NORTHEAST REGION
SOUTHEAST REGION
SOUTHWEST REGION
SEATTLE
HELENA
ST. PAUL
BUFFALO
DETROIT
CHICAGO
CLEVELAND
SAN FRANCISCO
DENVER
KANSAS CITY
PHILADELPHIA
NEW YORK
SAN PEDRO
LOS ANGELES
PHOENIX
DALLAS
ATLANTA
SAN ANTONIO
NEW ORLEANS
PORT ISABEL
MIAMI
HAWAII
PUERTO RICO AND VIRGIN ISLANDS
ALASKA
LEGEND
REGIONAL HEADQUARTERS
REGIONAL BOUNDARY LINE
DISTRICT NUMBER
DISTRICT BOUNDARY LINE
DISTRICT HEADQUARTERS

NEW LEGISLATION

The act of December 13, 1963 (Public Law 88–203, 77 Stat. 363), amends section 510 of the Agricultural Act of 1949, as amended, by changing the closing date for the importation of Mexican agricultural laborers from December 31, 1963, to December 31, 1964.

The act of December 23, 1963 (Public Law 88–236, 77 Stat. 474), amends sections 510 and 591, title 10 United States Code, to remove the requirement that an alien must make a declaration of intention to become a citizen of the United States before he may be enlisted or appointed in a Reserve component.

The act of April 29, 1964 (Public Law 88–300, 78 Stat. 184), is the American-Mexican Chamizal Convention Act of 1964, to carry into effect the convention between the United States and Mexico with respect to the Chamizal Zone, dated August 29, 1963.

The act of May 28, 1964 (Public Law 88–313, 78 Stat. 202), amends the Communications Act of 1934 to provide that the Federal Communications Commission may issue authorizations, but not licenses, for alien radio amateur operators, upon a reciprocal basis with the alien's government.

The act of June 30, 1964 (Public Law 88–347, 78 Stat. 236), amends section 1113(d) of the Social Security Act, as amended, by extending for 3 years, from June 30, 1964, until June 30, 1967, the provisions of that act authorizing the furnishing of temporary assistance to certain U.S. citizens returned from foreign countries under certain circumstances; such as, war, destitution, illness, or similar crisis, etc.

Inspection for admission into the United States—Force and workload

	Actual			Estimate	
	1962	1963	1964	1965	1966
POSITIONS					
Supervisory	88	90	71	71	71
Officers	1,126	1,152	1,177	1,201	1,201
Clerical	516	521	496	503	503
Detention officers	7	7	8	8	8
Custodial	2	1	2	2	2
Central office	42	41	42	42	42
Total permanent positions	1,781	1,812	1,796	1,827	1,827
Average permanent employees	1,658	1,714	1,672	1,670	1,670
Average number of all employees	1,741	1,767	1,720	1,729	1,729
WORKLOAD					
Border crossers	164,980,440	164,881,601	168,807,677	171,000,000	173,000,000
Aliens	94,835,674	94,694,164	98,855,809	100,500,000	102,200,000
Citizens	70,144,766	70,187,437	69,951,868	70,500,000	70,800,000
Other aliens admitted	2,582,747	2,710,307	2,862,355	3,100,000	3,400,000
Other citizens admitted	3,102,405	3,444,099	4,101,223	4,400,000	4,600,000
Aliens denied entry on primary inspection	149,463	153,417	177,004	179,000	180,000
Special inquiry hearings (exclusion)	1,010	979	951	1,000	1,000
Crewmen examined (arrived)	2,622,340	2,657,800	2,743,153	2,800,000	2,900,000
Aliens	1,762,356	1,795,418	1,856,286	1,904,000	1,972,000
Citizens	859,984	862,382	886,867	896,000	928,000
Vessels boarded (arrived)	68,828	70,840	66,499	67,500	68,000
Aircraft examined (arrived)	179,648	186,778	205,167	215,000	222,000
Stowaways found on arriving vessels	241	145	159	200	200
Visa petitions	70,086	74,277	71,401	74,000	72,000
Extensions of temporary stay	175,196	192,821	219,395	230,000	250,000
Applications, waiver of excludability [1]	2,270	5,244	4,373	4,500	4,600
Change of nonimmigrant status	11,759	12,121	12,055	12,100	12,200
Change from nonimmigrant to immigrant status	16,754	21,734	21,874	21,000	21,500
Petitions to import	12,743	13,892	14,694	16,200	17,000
Creation of record of admission	3,565	3,031	2,772	2,500	2,200
Aliens paroled into the United States	184,125	165,897	39,734	12,000	12,000
Visa petitions (revalidation)	9,457	7,689	4,205	3,200	3,000

[1] 1962 statistics do not include sec. 212(d)(3) orders written in the central office.

1. Inspection for admission into the United States

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

Over 178 million persons were inspected and admitted into the United States by immigration officers during the fiscal year 1964, exceeding last year's figures by 3 percent. Persons seeking admission over the land borders or arriving as crewmen accounted for 96 percent of that total. The others arrived as vessel or aircraft passengers at U.S. sea and air ports of entry.

During the fiscal year 1964, 66,499 vessels and 205,167 planes carried 4,475,324 persons to the United States from all parts of the world, an increase of 13 percent over the fiscal year 1963 in the number of passengers. In line with the trend in recent years, the number of arriving vessels decreased 6 percent but the number of arriving aircraft increased by 10 percent over the fiscal year 1963. The number of entries made by aliens exceeded 103 million and, of these entries, 98,855,809 were made by border crossers from Canada and Mexico, an increase of 4 percent over last year. Alien crewmen numbered 1,856,286, a 3-percent increase over 1963. The remaining 2,862,355 consisted of immigrants, documented nonimmigrants, returning residents from Mexico, Canada, and the adjacent islands, Mexican agricultural laborers, insular travelers, and other undocumented nonimmigrants.

The following comparative figures show the trend for the two principal categories of international travel:

Fiscal year	Entries over land boundaries	Passenger arrivals by sea and air (excluding crewmen, military personnel, and traffic from insular possessions)
1959	149,657,907	2,865,567
1960	154,034,400	3,111,530
1961	160,294,175	3,360,606
1962	164,980,440	3,612,678
1963	164,881,601	3,948,226
1964	168,807,677	4,475,324

The volume of aliens admitted with documents continues to rise, increasing about 12 percent over the year before. The trend of such admissions is shown as follows:

Fiscal year	Aliens admitted		
	Immigrant	Nonimmigrant	Total
1959	260,686	1,024,945	1 285,631
1960	265,398	1,140,736	1,406,134
1961	271,344	1,220,315	1,491,659
1962	283,763	1,331,383	1,615,146
1963	306,260	1,507,091	1,813,351
1964	292,248	1,744,808	2,037,056

Refugees

There are three major refugee programs administered by the Service: The processing of Cuban refugees who have fled the Castro regime in Cuba, Chinese refugees in Hong Kong who have fled from the mainland and refugee-escapees from the Iron Curtain countries in Europe.

The steady flow of Cuban refugees arriving in the United States, which began in January 1959, diminished considerably during the fiscal year 1964. One boatload of Cuban prisoners arrived July 3, 1963, with 1,157 passengers. All commercial transportation between the United States and Cuba has ceased and the only Cuban refugees arriving are those who manage to escape from Cuba on small craft. During the past year, 3,254 Cuban refugees arrived at points in Florida directly from Cuba. Since the Castro government took over on January 1, 1959, a total of 269,590 Cuban refugees have entered the United States.

Although no new applications have been accepted since January 1, 1963, other than approved visa petitions filed prior to that date, the Service continued to process accepted applications filed by Chinese refugees in Hong Kong for parole into the United States under section 212(d)(5) of the Immigration and Nationality Act pursuant to a Presidential directive of May 23, 1962. That directive was issued as the result of the mass exodus earlier in the month, of thousands of Chinese refugees from the mainland of China to Hong Kong and was designed to assist in alleviating the overcrowded conditions in the British colony. Parole has been limited to Chinese who are relatives of U.S. citizens and resident aliens, those with special skills urgently needed in the United States, and those who had applied for entry into the United States under prior refugee laws but who had not been accepted because of numerical limitations. Before parole is authorized, these aliens must undergo comprehensive security checks, medical examinations, and other regular screening procedures in all respects like applicants for immigrant visas. By June 30, 1964, a total of 10,617 such persons had been paroled into the United States.

Service officers continued to process registrants in France, Germany, Belgium, Austria, Italy, Greece, and Lebanon for refugee-escapee status under the fair share law, the act of July 14, 1960, which was extended indefinitely by the act of June 28, 1962. Under this law, the United States may accept 25 percent of the total number of eligible refugee-escapees who have availed themselves of resettlement opportunities offered by other countries. Careful medical, security, and other screening procedures are followed before parole under section 212(d)(5) of the Immigration and Nationality Act is authorized, to insure that the entry of the refugees into the United States will not be prejudicial to the national welfare, safety, or security. Two years after entry each refugee is again examined and, if found eligible in all respects, accorded permanent resident status. During the fiscal year 1964, 2,753 were actually paroled into the United States, bringing the total to 14,576 since the inception of the program in July 1960.

Applications

A total of 718,618 applications and petitions for various benefits and privileges under the immigration laws were adjudicated by Service offices during the fiscal year 1964. This was an increase of more than 25,000 over the fiscal year 1963.

Many of these vast numbers of applications and petitions may be denied as a matter of discretion by the Service district director or officer in charge having jurisdiction over the applicant's or petitioners' residence. While appeals are provided in some instances to the Board of Immigration Appeals or the regional commissioners, the decision of the district director, or officer in charge is final in many others.

Recognizing the need for fairness and the application of the principles of due process, the Service instituted additional procedures in the processing of administrative adjudications. For example, petitioners and applicants for the first time, are confronted with adverse information of which they may be unaware and are given an opportunity to rebut it before a decision is made in their cases; orders reflecting adverse decisions on applications and petitions now must recite the evidence considered in arriving at the decision, the weight given various items of evidence and the rationale of the decision; a copy of any order adverse to the applicant or petitioner must be furnished him or his attorney, thus facilitating administrative or judicial review if desired by the parties affected. As a corollary to this practice various Service material relating to policies, procedures, and administrative rulings, were selected for publication in the Federal Register.

Program outlook

International travel will continue to increase at a very rapid rate. The number of tourists or visitors for pleasure increased from 944,929 in 1963 to 1,105,268 in 1964, a 17-percent increase. With the present favorable economic conditions, the New York World's Fair continuing into 1965, Britain's Shakespeare Festival, the 20th anniversary of the Normandy invasion, the Swiss National Exposition in Lausanne, the Eucharistic Congress in Bombay, the Olympic Games in Tokyo, and increased availability and reduced rates of air flights, a substantial increase at air and sea ports may be anticipated. Some typical newspaper releases indicate increased international traffic:

In October 1963 testimony before the Aviation Subcommittee of the Senate Committee on Interstate and Foreign Commerce indicated supersonic air transportation was inevitable in the 1970's. Speeds of 2,000 miles per hour (mach 3) would put Paris within 2 hours, 15 minutes of New York, Rome within 2 hours, 45 minutes, and Honolulu within 3 hours.

In November 1963 there was announced a step-up of Pan American service to Puerto Rico resulting in 100 weekday trips between there and New York.

In November 1963 Pan American announced seven jet flights weekly to Trinidad, five to Antigua and Barbados, two to St. Croix and Guadalupe, and one to St. Lucia, plus stepped up DC–6B connections at San Juan and Antigua to lesser Antilles islands without jet airports.

In November 1963 Pan American publicized pay later plans for immigrats from 45 countries to the United States, Canada, and Australia.

In November 1963 the Civil Aeronautics Board approved Delta Airlines-Pan American service from New Orleans direct to Europe via Washington, D.C.

In January 1964 transatlantic service reductions up to $200 on round trips were announced by TWA, BOAC, SAS, and Lufthansa German Airlines. In April 1964 bookings for such flights were reported to be up 58 percent on TWA and 100 percent on BOAC.

Effective in January 1964 the Mexican Government began issuing 30-day tourist cards without charge to all bona fide tourists planning to visit Mexico. At the same time the U.S. authorities started issuing multiple entry visas good for 1 year without charge to all bona fide tourists applying to visit the United States.

In April 1964 Air France joined Pan American and British Overseas Airways as the third international carrier to use Dulles International Airport and Aerolineas Peruanas of Peru was slated to become the fourth.

As alien admissions increase so do applications of various types. Extensions of stay for tourists, changes from one nonimmigrant class to another, applications for adjustments and the like may be expected to increase also.

Absorption of these workload increases are expected during the next 2 fiscal years through continued emphasis upon economy and manpower utilization programs.

Detention and deportation—Force and workload

	Actual			Estimate	
	1962	1963	1964	1965	1966
Positions:					
Supervisory	19	26	27	27	27
Officers	139	127	139	138	138
Clerical	129	138	142	142	142
Detention officers	190	209	211	211	211
Custodial	15	20	21	21	21
Central office	30	28	27	27	27
Total permanent positions	522	548	567	566	566
Average permanent employees	495	526	528	520	520
Average number of all employees	510	534	534	528	528
Workload:					
Aliens expelled:					
Deported under formal order	7,637	7,454	8,746	9,000	9,000
Required to depart	54,164	69,392	73,042	74,000	74,000
Total expelled	61,801	76,846	81,788	83,000	83,000
Indigent aliens returned to their native lands at their own request	182	177	152	150	150
Warrants of arrest served	14,013	17,596	22,445	24,000	24,000
Hearings conducted	10,431	12,805	15,677	16,000	16,000
Average number of aliens in detention	836	819	906	900	900
Aliens released on recognizance	484	505	445	500	500
Aliens placed on bond	524	488	795	850	850
Aliens placed under supervision	1,578	998	1,198	1,000	1,000
Unexecuted final orders of deportation pending at end of year	5,167	6,330	6,784	7,200	7,200
Reports in private bill cases	1,325	1,170	1,242	850	1,200

This activity encompasses the detention, deportation, and parole of aliens. The activity begins at the time an order to show cause is served upon an alien and continues until deportation is effected or proceedings are otherwise terminated.

Previous year performance

Expulsions.—During the fiscal year 1964, Service officers deported 8,746 aliens using formal deportation proceedings. This is 17 percent more than those deported formally during the fiscal year 1963. Such deportations represent only a part of the number of aliens required to depart from the United States, as 73,042 additional aliens were expelled without the Service requiring formal deportation orders. The total number of those expelled increased 6 percent over the previous year. The increase was mainly due to an increase of illegal entries on the Mexican border caused by unemployment in Mexico and reduced hiring of braceros by American farmers in anticipation that the Mexican agricultural labor legislation will terminate in December 1964.

Detention.—Some of those aliens found illegally in the United States must be held in detention until deportation or other arrangements can be made. Contract facilities are used where Service operated facilities are not available. Last year 19,371 aliens were initially admitted to non-Service facilities, an increase of 17 percent over the previous year. Initial admissions to Service operated facilities totaled 11,426, during the fiscal year 1964.

Private bills

There were 1,285 private bills for the relief of aliens introduced in Congress during the fiscal year 1964. Relief for aliens from oversubscribed quotas is the major source of private bills. Congress enacted 148 private bills during the past fiscal year.

Program outlook

Increasing numbers of alien visitors are coming to the United States each year. A large number will be coming to attend the World's Fair in New York, and it can be expected that many will overstay the time for which they were admitted and will accept employment illegally. Thousands of aliens from the Dominican Republic were granted visitor's visas during the past year and many of them will take jobs and remain beyond their authorized stay. For these reasons an increase in deportations and required departures will take place during the fiscal years 1965 and 1966. Absorption of these workload increases is planned without a request

for additional manpower or funds. It is expected that there will be a decrease in the number of reports in private bill cases during the fiscal year 1965 because of the usual short session of Congress in a presidential election year. A decrease will certainly follow in the event some type of remedial immigration legislation is enacted.

Naturalization—Force and workload

	Actual			Estimate	
	1962	1963	1964	1965	1966
Positions:					
Supervisory	27	29	27	27	27
Officers	183	186	188	188	176
Clerical	240	230	219	225	225
Custodial					
Central Office	19	18	17	17	17
Total permanent positions	469	463	451	457	445
Average permanent employees	434	437	420	417	405
Average number of all employees	440	442	424	422	410
Workload:					
Applications, petitions for naturalization (N-400, 402)	175,446	162,986	151,629	155,000	155,000
Petitions filed with the courts	129,682	121,170	113,218	115,500	115,500
Recommendations to courts	132,577	128,267	116,134	117,000	117,000
Persons naturalized	127,808	124,485	112,501	114,500	114,500
Applications, derivative citizenship certificates (N-600)	42,697	46,433	45,508	45,800	45,800
Nationality applications (N-565, 577, 585)	8,846	8,759	8,515	8,500	8,500
Applications, declarations of intention (N-300)	16,463	15,767	15,810	15,900	15,900
Declarations filed with courts	15,120	14,478	14,374	14,400	14,400
Aliens referred to public schools	105,254	124,215	110,333	113,600	113,800
Citizenship textbooks distributed	205,893	151,859	146,040	[1] 125,000	125,000

[1] Decrease results from consolidation of textbooks.

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 a 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 oath of allegiance declaring support and defense of the Constitution and the laws of the United States against all enemies, foreign and domestic, was taken by 112,501 persons becoming new citizens in 622 courts throughout the United States last year. Both the number of applications for naturalization received, and the number of persons naturalized have decreased somewhat since the unusually high naturalization volume of the fiscal year 1961. Nevertheless, the current volume is considered substantial; last year 151,629 applications for naturalization were received by the Service.

There was also registered during the fiscal year 1964 a heavy demand for other naturalization work involving declarations of intention to file naturalization petitions, applications for certificates of citizenship derived from naturalized parents or a citizen spouse, and various other nationality applications. Such cases are significant not only from a workload standpoint because of their complexity but also because they sometimes disclose fraudulent and illegal naturalizations.

In the area of citizenship education the Service published and distributed "Our American Way of Life," "Our United States," and a related "Teachers Guide," which comprise a major part of the Becoming a Citizen series, a new unit of the Federal Textbook on Citizenship. These new texts were published by the Service in collaboration with outstanding educators from all over the United States.

Two important Supreme Court decisions of April 2, 1964, affect Service operations. The Court held in *Marks* v. *Esperdy* (377 U.S. 214) that service in the armed forces of a foreign country is a valid basis for expatriation, but on the other hand, in *Schneider* v. *Rusk* (377 U.S. 163) eliminated as unconstitutional statutory provisions which cause naturalized citizens to lose their nationality by extended residence abroad.

Program outlook

The volume of naturalization work has fluctuated considerably during the past 15 years. The volume of persons naturalized rose sharply from 1930 to 1944, dropped to an alltime low in 1951, then rose sharply again to a high peak in 1955; for 3 years from 1956 to 1959 the volume decreased then climbed considerably in 1960 and 1961. Since 1962 the volume has been moving downward but at a slow pace. Based upon the past flow in immigration to the United States, and the volume of aliens granted permanent residence under the various adjustment procedures and by private legislation, and based upon the unused potential of previous years, the future naturalization potential is substantial. However, in the absence of an anticipated crisis or national emergency the 1965 and 1966 fiscal year workloads are being conservatively estimated.

A downward adjustment in the naturalization force is accordingly being scheduled. There have been eliminated from the 1966 fiscal year estimates 12 naturalization positions representing an annual savings of $121,000.

Border patrol—Force and workload force

	Actual			Estimate	
	1962	1963	1964	1965	1966
Positions:					
Supervisory	7	8	7	7	7
Officers	1,680	1,630	1,505	1,505	1,505
Clerical	166	161	164	164	164
Custodial	80	76	74	74	74
Detention officers		1	1	1	1
Central office	21	20	20	20	20
Total permanent positions	1,954	1,896	1,771	1,771	1,771
Average permanent employees	1,802	1,711	1,648	1,629	1,629
Average number of all employees	1,811	1,717	1,652	1,636	1,636
Workload:					
Persons apprehended	30,686	39,885	43,993	48,000	51,000
Smugglers of aliens	(349)	(348)	(513)	(650)	(700)
Deportable aliens	(29,897)	(38,861)	(42,879)	(47,000)	(50,000)
Other law violators	(789)	(1,024)	(951)	(1,000)	(1,000)
Seizures:					
Automobiles	85	166	166	180	180
Other conveyances	33	21	10	20	20
Value of all seizures	$582,381	$339,270	$844,697	$400,000	$400,000

Work in this activity includes:

The prevention of smuggling and unlawful entry of aliens into the United States; the apprehension of persons guilty of such violations; and guarding the international boundaries, the Gulf and Florida coasts.

Previous year performance

There have been few changes in the past year in those conditions which most affect border patrol work on the northern and southern borders. Although the serious drought which occurred in Mexico last year was alleviated somewhat, economic conditions continued to be severe, with many areas still suffering from chronic unemployment.

Some areas in Canada likewise are still plagued with unemployment problems. As a result during the last fiscal year, 42,879 deportable aliens were located by Border Patrol officers, an increase of 10 percent over the previous year. While much of this increase consisted of surreptitious entrants, a greater increase was noted in other categories involving those aliens who violate their status after legal entry by such acts as obtaining employment and overstaying their visit. This is a continuation of a trend which started in the fiscal year 1961.

Furthermore, more aliens were assisted by professionals, in entering or being transported unlawfully to the interior. The last fiscal year showed a 47 percent increase in the number of violators of the antismuggling statutes—513 compared with 348 during the fiscal year 1963.

In searching for illegal aliens Patrol officers examined 1,258,565 conveyances and questioned 5,433,546 persons. In carrying out their responsibilities, officers encountered violators of various city, State, and Federal laws, and turned them over to appropriate agencies. Narcotics valued at $251,296 were confiscated, and property valued at $593,005 was seized or recovered. One example was the

recovery of $130,000 in cash and the arrest of an absconding bank employee before the crime was reported to the police in Canada. Another example was the solution of an unreported robbery and murder in Canada by the arrest of an alien near Havre, Mont. Cooperation with other law enforcement agencies is carried on at all levels and the Service profited as a direct result with 3,248 deportable aliens being turned over to the Service by the other agencies.

The increase in illegal aliens located in the northern border areas was 18 percent over the previous fiscal year as the total climbed to 6,276. During the 1963 shipping season in the Great Lakes, which runs from April to December, 333 crewman deserted in eastern Canadian ports adding to the already high potential illegal entrants to the United States. Officers at the Massena, N.Y., Border Patrol Station verified the departure of 624 malafide crewmen who had been denied landing privileges and ordered detained on 224 vessels.

There was also a substantial increase in the number of deportable aliens found in Southwestern United States. In this area there were 35,559 picked up by Border Patrol officers in the fiscal year 1964, an increase of 10 percent over the previous year.

In the lower Rio Grande Valley of Texas during the months of July 1963 through February 1964, 4,440 aliens are known to have entered surreptitiously. Ninety-six percent or 4,273 of them were intercepted before leaving the area. The number of surreptitious entrant aliens located indicates the nature of the problem and the volume of unlawful entry. Also the number located will indicate to a degree the effectiveness of the operation. Patrol effectiveness in the lower Rio Grande Valley as well as in other areas is maintained with a comparatively small shifting of officer force and operational assignments during periodic upsurges of border violations.

Many illegal aliens on the Mexican border are without funds when found. By transporting them into the interior of Mexico near their homes, their illegal return is discouraged. The Matamoros-Leon airlift and the Ojinaga-Chihuahua trainlift are utilized for this purpose. Only a small percentage of the aliens handled in this manner have returned. Of the 56,301 aliens airlifted during the fiscal years 1958 through 1964, only 16 percent have returned illegally. Of the 53,914 aliens trainlifted from 1958 to 1964, only 12 percent have returned illegally.

Program outlook

The number of violators found in the eastern portion of the northern border has increased each year since 1960, and further increase, with some tendency to level off, is expected during the fiscal years 1965 and 1966. In the western portion the increase was greater, particularly with respect to surreptitious entrants. Additional border violations are anticipated, but eventual leveling off along the northern border can be foreseen within the next several years if economic conditions continue to improve. There is some indication that the immigration policy of the Canadian Government may be moving toward more strict enforcement. While it is expected that there will be some increase in crewmen desertions in Canada and that some of the deserters will attempt unlawful entry into the United States, crewmen control problems in the St. Lawrence Seaway will remain fairly stable.

The unfavorable economic conditions in Mexico will undoubtedly continue. Mexican farm and ranch workers have previously been brought to the United States under the provisions of Public Law 78, scheduled to expire December 31, 1964. If other procedures under the regular Immigration and Nationality Act are not utilized, there may exist a serious enforcement problem for the Service on the Mexican border. Nevertheless, if the current workload estimates for the fiscal years 1965 and 1966 prove sound, control of the border will be maintained with no significant changes in manpower requirements.

Investigating aliens' status—Force and workload

	Actual			Estimate	
	1962	1963	1964	1965	1966
Positions:					
Supervisory	54	52	49	49	49
Officers	761	785	779	779	779
Clerical	336	341	334	337	337
Detention officer		4	5	5	5
Custodial	1	2	2	2	2
Central office	31	30	27	27	27
Total permanent positions	1,183	1,214	1,196	1,199	1,199
Average permanent employees	1,133	1,182	1,113	1,087	1,087
Average number of all employees	1,143	1,194	1,122	1,101	1,101
Workload, investigations:					
Subversive (total)	4,932	5,733	3,950	4,100	4,100
Revocation	259	152	133	100	100
Deportation	1,516	1,193	883	1,100	1,100
Applicant for admission	1,505	2,208	1,550	1,400	1,400
Naturalization	1,652	2,180	1,384	1,500	1,500
Criminal, immoral, and narcotic (total)	6,751	8,123	8,007	8,500	8,500
Revocation	75	98	125	100	100
Deportation	3,106	3,109	3,679	4,500	4,500
Applicant for admission	3,570	4,332	3,635	3,300	3,300
Naturalization	(1)	584	568	600	600
General (total)	32,057	58,808	53,246	54,600	56,600
Revocation	223	226	172	200	200
Naturalization	3,152	2,605	2,705	2,800	2,800
Other naturalization and citizenship	563	583	578	600	600
Document fraud	3,931	4,729	4,333	5,000	5,000
Deportation	10,397	31,028	27,152	26,300	28,300
Applicant for admission	4,861	5,302	4,866	4,600	4,600
Smuggling	277	544	687	700	700
Investigation looking toward prosecution	805	2,295	1,967	2,000	2,000
Private bill	1,499	2,377	1,679	2,500	2,500
Parole and abscondees	3,902	5,697	4,265	5,100	5,100
Character investigations (other than naturalization)	1,236	2,100	2,730	2,700	2,700
Miscellaneous	1,211	1,322	2,112	2,100	2,100
Search (total)	6,896	[2] 11,832	12,156	12,800	12,800
Grand total	50,636	84,496	77,359	80,000	82,000

[1] Reporting system revised.
[2] Apparent increase in the fiscal year 1963 results from revised reporting system effective July 1, 1962.

5. Investigating aliens' status

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

During the 1964 fiscal year 80,246 investigations were opened. While this was below the volume opened during the previous year the figure was still 25 percent above the average volume for the preceding 4 years. The decline occurred in the "general" category of investigative cases. Criminal, immoral, and narcotic categories rose 3 percent over the previous year receipts and smuggling cases increased 24 percent.

Anticrime operations.—A consistent goal of the Service in the area of anticrime investigations has been the expulsion and denaturalization of alien or naturalized racketeers known to be leaders of the underworld or of prime importance to the syndicated crime and vice existing on a national or international basis. Generally these individuals are deeply rooted in the life of the Nation and their activities concealed behind legitimate persons and enterprises. This increases the difficulty in denaturalization or expulsion proceedings. The status of aliens and naturalized citizens who have been or are engaged in criminal, immoral, and narcotic activities who come to the attention of the Service, other agencies of the Government, or congressional committees investigating the various aspects of crime, is carefully scrutinized to establish Service jurisdiction and to determine the possibility of exclusion, deportation, denaturalization, or prosecution. During the past fiscal year 8,007 investigations of this type were completed resulting in the deportation of 603 aliens of the criminal, immoral, and narcotic classes.

The Canadian and Mexican border criminal, immoral, and narcotic investigation program involves the collection of information relating to the identity, activity, and movement of alien criminals and racketeers to prevent their access to the United States or to apprehend them should they manage to enter illegally. Of particular interest last year was the movement of Canadian criminals to Mexico intending to smuggle narcotics from Mexico to Canada through the United States.

In pursuit of the border programs last year lookouts were posted on 1,858 criminal aliens. As a result 267 were excluded or rejected when they applied for admission. A total of 450 were deported to Canada or Mexico of the criminal, immoral, or narcotic classes.

Antisubversive operations.—Continued emphasis was placed during the last fiscal year on the investigation of foreign-born subversives with the target of producing sufficient evidence to institute exclusion, deportation, or denaturalization proceedings. There were 3,950 subversive investigations completed during the fiscal year 1964.

At the strategic points along the Canadian and Mexican borders, Service investigators are engaged in collecting, evaluating, and disseminating information obtained from informants and other sources to identify subversive aliens who are likely to enter the United States, and to collect information concerning their activities, so as to preclude their admission into the United States. When appropriate, the information is furnished to other interested Government agencies. As a result of this border program 56 persons were denied admission into the United States.

The Service's Caribbean investigation program has become one of the most important and effective investigative functions in combating the entry into the United States of aliens from Latin American countries who have subversive, criminal, or immoral backgrounds or who may be of the narcotic classes. An index of all such information, maintained at Miami, Fla., has proven to be of immense value to Service operations and is consulted extensively by other governmental agencies. A total of 110,200 record checks were made from this index during the year.

Search investigation operations.—Approximately 27 percent of the total investigation manpower was devoted to the search operation program last year. Search operations are geared to prevent illegal entries by way of the deserting crewmen and stowaway routes and to promptly locate illegal entrants and nonimmigrant aliens who are in violation of status. As a result of these efforts, 12,156 deportable aliens, including 1,205 deserting crewmen, and 153 stowaways were located during the fiscal year 1964.

Increased efficiency in search operations is reflected by the fact that there was a 15-percent decrease in the number of productive hours spent on search operations and a 3-percent increase in the number of aliens located through such efforts.

Program outlook

The major Service investigative efforts will be directed next year toward the prosecution, deportation, and denaturalization of major criminals, racketeers, and subversives within the jurisdiction of the Service.

Liaison activities with law enforcement officials are expected to be accelerated overseas and in adjacent countries so that effective control of the alien criminal and subversive may be increased. Border programs will be implemented by obtaining information, criminal records, fingerprints, and other data relating to alien criminals and subversives in adjacent countries for use in Service proceedings, court proceedings, and in posting lookouts.

The Soviet Government continues its subversion with the objective of establishing the Communist form of government throughout the world. After its successful takeover of the Government of Cuba the apparatus has extended its operations into other Latin American countries where its proven strategy and tactics are being applied in its efforts to subvert every country in this hemisphere.

Increased international travel heightened by travel facilitation procedures, will require constant Service investigative effort and vigilance to cope with nonimmigrant overstays as well as alien criminals and racketeers. Emphasis will also continue to be placed on the detection and investigation of all methods of frauds utilized to evade the immigration laws.

Immigration and naturalization records—Force and workload

	Actual			Estimate	
	1962	1963	1964	1965	1966
Positions:					
Supervisory	15	14	15	15	15
Officers	25	19	20	20	20
Clerical	599	611	615	615	615
Detention officers	2	5	3	3	3
Custodial	2	2	2	2	2
Central office	164	199	204	204	204
Total permanent positions	807	850	859	859	859
Average permanent employees	760	793	799	814	814
Average number of all employees	862	859	828	884	840
Workload:					
Inquiries and callers at information desks	3,547,390	3,615,340	3,772,746	4,000,000	4,150,000
Incoming and/or outgoing mail	18,224,619	18,936,631	18,305,593	18,700,000	19,000,000
New files prepared	500,573	608,683	603,452	650,000	677,000
Index searches	3,422,506	4,120,428	4,121,857	4,300,000	4,500,000
Verification of arrival and departure	81,939	98,423	95,274	95,000	90,000
Alien address reports received	3,128,765	3,236,684	3,335,591	3,380,000	3,430,000
AR cards laminated	593,906	650,555	649,973	700,000	710,000

This activity covers the custody and maintenance of records (including alien registration records) and relating indexes; 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

Each immigrant visa received becomes an active Service case file. Thus, the number of new files prepared increases as the number of new immigrants increases. The opening of a new file is also required on persons becoming subject to Service actions for the first time such as refugees who have been paroled into this country, new investigative cases on nonimmigrant overstays, and deserting crewmen. There were 603,452 new files prepared during the fiscal year 1964. While this is slightly less than the 1963 fiscal year volume it is still 20 percent over the number prepared in the 1962 fiscal year.

Open-shelf filing was installed at Detroit, Mich.; Hammond, Ind.; Milwaukee, Wis.; Portland, Oreg.; and St. Paul, Minn., to release expensive cabinet space. The Service disposed of 4,276 cubic feet of records under existing authorities and transferred 5,427 cubic feet of records to Federal records centers during the fiscal year 1964. This released storage space equivalent to 1,212 five-drawer file cabinets.

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 Also the volume of searches increases with the use of the indexes by security and enforcement agencies as provided by section 290(a) of the Immigration and Nationality Act. Over 600,000 all-purpose searches were made in the fiscal year 1964. There are now approximately 37 million index cards in the master index; 3,259,751 new cards were added in the fiscal year 1964.

Program outlook

Just as 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. To keep pace with the increased work, programs are being consistently reviewed to find more efficient methods.

Equipment has been installed in the New York, N.Y.; Boston, Mass.; Miami, Fla.; Los Angeles, Calif.; and San Francisco, Calif. offices to mechanize visa processing. Under present procedures, separate typing operations are required to prepare an index card, alien registration card, foreign address and occupation index card, notice for citizenship education, an envelope, and cross-reference index cards. Under the mechanized procedure, most of the typing operations performed in processing visas will be executed automatically using perforated tapes.

A program is underway to find files that are inactive and can be retire to records centers to offset the need for additional space to house new files. Files in field offices through the first 9 million series in which there has been no activity since 1955 are being screened out and retired.

To facilitate searching and filing in the master index, impovements in index breakdowns are planned. Given names that are alike and take up more than one-half inch within each Soundex code are to be arranged by date of birth. This should conserve much searching and filing time.

General administration—Force and workload

	Actual			Estimate	
	1962	1963	1964	1965	1966
Positions:					
Supervisory	25	21	20	20	20
Officers	53	53	56	56	56
Clerical	192	192	193	193	193
Custodial	11	9	9	9	9
Central office	141	145	140	140	140
Total permanent positions	422	420	418	418	418
Average permanent employees	393	391	389	385	385
Average number of all employees	405	401	395	395	395
Workload:					
Cards keypunched	1,388,788	1,318,044	1,273,348	1,300,000	1,300,000
Cards sorted	40,917,339	33,859,513	31,648,470	32,000,000	32,000,000
Documents coded	1,397,984	1,358,786	1,403,404	1,465,000	1,495,000
Stencils and plates prepared	53,490	48,571	43,861	45,000	45,000
Duplicating work (sheets duplicated)	17,819,267	17,662,966	15,145,376	16,000,000	16,000,000
Personnel actions (processed)	7,328	7,195	6,889	7,000	7,000
Payroll changes (documents)	40,897	45,123	48,526	47,000	46,000
Vouchers examined	69,355	68,020	64,353	64,500	64,500
Travel authorizations issued	11,622	12,329	12,279	12,500	12,500
Contracts and leases awarded	443	338	288	300	300
Purchase orders issued	11,555	10,633	10,368	10,400	10,400
Collections for fees, fines, etc	$4,613,442	$4,876,256	$5,003,695	$5,000,000	$5,000,000

Work in this activity includes:

All work performed and expenses incurred (1) by the Commissioner and regional commissioners of the Service and their immediate secretaries in the overall administration and enforcement of the immigration and nationality laws, and (2) by the other Service employees whose services and functions are of an administrative nature and are performed to facilitate the program activities of the Service. Specific work under this classification consists of that relating to personnel, budget, finance, statistics and work measurement, procurement and property management, and management analysis.

Previous year performance

Management improvement and control.—Operating personnel at all levels of the Service organization have been given responsibility for manpower utilization and control. Central control and direction is maintained in the central office, supported by regional programs, field inspectors, management analysts, budget analysts, internal auditors, personnel specialists, engineers, and statisticians.

Work measurement and statistics.—A well-established work measurement system provides the basis for the manpower utilization program. All work performed by Service officers is recorded in terms of work units, geography, time of year, and status of work. The units are measured with relation to the time it takes to do

the work. This measured information is furnished to every level so they may plan work, avoid or get rid of backlogs, determine trends, evaluate new procedures and improve work methods.

Statistical information on immigration, naturalization, deportation, and passengers manifested is compiled and interpreted for use in judging the effectiveness of the laws administered by the Immigration and Naturalization Service as they relate to numerical data and for use in demographic, transportation, and other purposes by other Government and private agencies.

Program outlook

Construction of facilities.—Future plans call for continuing the program to replace substandard border inspection station projects at small ports and to replace inadequate quarters occupied by border patrol stations. Support will also be furnished the General Services Administration for the construction of facilities where the cost exceeds the amount contained in the authority available to the Service. Special plans are being made for the Service's participation in the relocation of Federal facilities as a result of the Chamizal zone settlement on the Mexican border.

Management improvement programs.—All available management tools and techniques will be utilized in the next several years to keep manpower and spending down to the very minimum required to get the work done. Some specific improvement programs are as follows:

In conjunction with the governmentwide effort to reduce paperwork, a special review of all Service forms which are filled out by the public is being started in the hope that some of these can be simplified or eliminated.

It is planned to make provision for extra pages to be added to a reentry permit which has been filled with visas so that it will not be necessary to issue a new booklet.

Plans are being made to expand to other Service functions the mechanized visa processing system being installed in the fiscal year 1965.

INCREASE REQUESTED

The insertion indicates that the request is in the amount $73,604,000 which would be an increase of $2,504,000 over the amount appropriated for the current fiscal year for the activities of the Immigration and Naturalization Service.

Looking at page 25.2 one might think that the total requested increase was $443,000 but the fact of the matter is that it is a requested increase of $2,504,000; is that right?

Mr. LOUGHRAN. Mr. Chairman, the net increase is $443,000. You will recall——

Mr. ROONEY. How much more of the taxpayers' money would it take under this proposed budget to continue the activities of the Immigration and Naturalization Service on the basis you project in the 1966 budget?

Mr. LOUGHRAN. $443,000. I arrive at that by taking the 1965 appropriation, which the Congress gave us, adding in the proposed supplemental of $2,064,000 for the pay increase——

Mr. ROONEY. But you are assuming the supplemental will be granted?

Mr. LOUGHRAN. Yes, sir. In the preparation of the budget, that is the only thing you can do.

Deducting $3,000 from the 1965 appropriation, which money was transferred to GSA, gives a total of $73,161,000 in 1965 as compared with the 1966 request for $73,604,000.

Mr. ROONEY. We are pleased to have with us the distinguished and highly capable Commissioner of Immigration, the Honorable Raymond F. Farrell.

I believe you have a prepared statement, is that correct, Commissioner?

Mr. FARRELL. No, sir. I have a few notes here which I would like to refer to, Mr. Chairman, and speak rather briefly about some of the accomplishments of the Service in the various programs.

The workload in all of our programs has increased considerably except in the naturalization program where it has fallen off. We have been able to absorb this work and we feel that we will continue to be able to absorb the anticipated increases. We are able to cut back on examiners in the naturalization program.

During fiscal year 1964, the Service inspected 178 million persons. This is an increase of 3 percent over the 1963 volume. This includes U.S. citizens and border-crossers, of course, but it also includes 2 million aliens with documents. This is a 12 percent increase compared to the volume of documented aliens the previous year.

In the deportation area, our workloads increased 6 percent over the previous fiscal year. The total number expelled, was 82,000. This figure includes aliens required to leave the United States under threat of deportation.

There were 9,000 cases in which we had formal deportation proceedings.

This was an increase of 17 percent as compared to fiscal year 1963.

As I said, in the field of naturalization we have fallen off about 7 percent. There were 112,500 persons naturalized and 35,300 granted derivative citizenship certificates.

In line with our continuing drive to effect economies wherever possible, a small downward adjustment of the Naturalization force is being scheduled. There are 12 naturalization examiner positions eliminated for the 1966 fiscal year estimate.

In our border patrol program we apprehended 44,000 persons—of these, 42,900 were deportable aliens, 950 were violators of our criminal laws, and 513 were smugglers of aliens.

The patrol has been doing a magnificent job.

The bracero law expired on December 31, 1964, and we have most of the braceros out of the country.

I must say in this connection that the ranchers and farmers have been cooperating with us and the Mexican Government is cooperating with us to an extent way beyond anything we ever had before.

While we do expect that there will be some buildup on the other side of the border in the future, as of right now it is not bad. We feel that we are going to be able to hold the line with the present force.

In the field of investigations, we completed 77,000 cases; 8,000 of these were cases involving criminal and narcotic aliens and 4,000 involving the subversive class.

This number is a small decrease from the fiscal 1963, accounted for by the fact that we had about 20,000 cases relating to Cubans in the previous fiscal year. The figure of 77,000 is actually an increase over that for fiscal years 1962 and 1961.

There, again, we feel that we will be able to absorb the work increases with our present force.

There were more than 3.3 million aliens reporting their address to the Service in January of 1964. This is a 3-percent increase and, of course, in order to support the large volume of cases handled by the

Service, a substantial records system is required. We must now maintain such a system. We have over 600,000 files added each year.

As I mentioned, we are not asking for any additional personnel and we do plan to cut off 12 naturalization positions.

The Service's estimate for fiscal year 1966 is $73,604,000 and the net increase over the anticipated total appropriation is $443,000.

The amount that will be saved by the elimination of the 12 naturalization examiner positions is $121,000.

One of the increase items is for scheduled mobile equipment replacements. We are replacing 250 of 321 passenger-carrying vehicles meeting GSA replacement standards. We have three small observation type aircraft replacement in accordance with the standards established several years ago.

We are also replacing 130 trucks out of the 237 which will meet GSA replacement standards. These items will cost $936,700.

The emergency power generator item of $43,100 is for the completion of a 3-year program designed to insure continuing operation of facilities and communications in the event of a local or national emergency due to any type of power failure.

There is an item of $225,100 for the radio system renewal under our continuing program to keep our communications network up to date.

Mechanized equipment has been one solution for keeping up with Service records increases in the past. Increases in other Service activities produce large increases in Service records.

We need five master index machines and replacement of a machine card sorter at our central office. These master index machines and the machine card sorter would cost $41,500.

We have a very carefully planned records retirement program but with the volume of cards we must, by law, add annually, the master index is growing so rapidly that by 1966 there will be no space left and expansion and relocation will be required by January 1, 1966.

The estimate of $157,500 is based upon relocating the master index machines to new space and conversion of the existing space to regular office space here at the Washington office.

There is an item of $160,000 for automatic typewriters. Capitalizing on successful experience with the automatic typewriters being used for visa processing, the Service plans to extend this type of operation to the processing of naturalization applications.

The machines will automatically produce from 8 to 10 forms as a result of 1 typing operation where currently 8 to 10 operations are required.

The sum of $181,900 is required for the normal repairs and alterations to immigration buildings owned by the Service.

Inspection station construction projects to be handled jointly with the Customs Bureau are scheduled at eight locations. They involve the construction of 1 station and the renovation of 2 stations on the northern border and construction and improvements involving 19 cottages, 3 on the southern border and 16 on the northern border.

The Service's half of the construction costs for the inspection projects will be $230,000.

The construction program also includes one border patrol station on the norther border and five cottages at one location on the southern border.

Their cost will be $148,000.

The Labor Department has informed us that $67,800 is required to reimburse the employee compensation fund for payments on account of injuries and deaths to Service employees.

We have a naturalization film that was made in 1951 that we would like to bring up to date. It is very much out of date. It would cost $75,000 to accomplish this.

Next we have statutory within-grade salary advances, estimated by careful analysis to be $742,200. The Service is prepared to absorb over half of this amount, thereby reducing the amount requested for this item to $359,600.

Additional absorption cannot be accomplished in view of our low turnover rate, of which we are justly proud, coupled with our career officer programs whereby we make promotions from within the ranks.

Mr. Chairman, that concludes my general statement.

DECREASE IN POSITIONS

Mr. ROONEY. Are you requesting any new or additional positions in this budget, Commissioner Farrell?

Mr. FARRELL. No, Mr. Chairman.

Mr. ROONEY. Do I understand correctly there would be a decrease of 12 positions in the Immigration and Naturalization Service?

Mr. FARRELL. Yes, sir.

Mr. ROONEY. In the coming fiscal year?

Mr. FARRELL. Yes, sir.

Mr. ROONEY. These would all be on the Naturalization side of your activities?

Mr. FARRELL. Yes, Mr. Chairman.

DECREASES IN WORKLOAD

Mr. ROONEY. Where do we find your Naturalization workload?

Mr. LOUGHRAN. Page 25–62.

Mr. ROONEY. Most of the items on the workload statement on page 25–62 represent a falloff in work; is that a fair statement?

Mr. FARRELL. Yes, Mr. Chairman.

It is a falloff of about 7 percent over the previous fiscal year.

Mr. ROONEY. Practically every category shown on that page shows a decrease as compared with either 1963 or 1964; is that a fair statement?

Mr. FARRELL. Yes, Mr. Chairman, that is true.

Mr. ROONEY. With the falloff in this workload, you could only reduce the complement of over 400 employees by 12?

Mr. LOUGHRAN. Mr. Chairman, we could only reduce it by 12 officers, even though the statistical statement indicated a falloff. There is still an enormous potential of persons who are eligible for citizenship.

During the period 1953 to 1959 a total of 1,778,844 aliens entered the United States as immigrants. They formed a major part of the naturalization potential for the period 1958–64. However, during this period only 858,058 aliens were naturalized and some few were denied citizenship by the courts.

This includes aliens who were admitted to citizenship under special provisions of the statute, too.

The point I am attempting to make, sir, is that the potential is still there. We have no means of telling when they will come into the Service to apply for citizenship.

You will notice there is a piece of work which we indicated as "Applications, Derivative Citizenship," which is just below the one marked "persons naturalized." There is just as much work in many instances in that type of application where some individual derives citizenship from a parent as there is for a person coming in when his 5-year residence in the country has been completed.

Mr. ROONEY. The number of such applications for derivative citizenship is expected to be down in 1965, the current fiscal year, and then again in 1966, the coming fiscal year, as compared with fiscal year 1963; is that so?

Mr. LOUGHRAN. Yes, sir; but may I indicate, if you look at page 62, 3 years ago it was 42,697. Then it increased approximately 3,500 during the next fiscal year, 1963, when it went up to 46,433. That is not a gigantic increase but it is indicative of my point. We cannot really tell when or if this business is going to increase.

Mr. ROONEY. I expect that that would be so and most certainly is a fair statement, but back in 1962 you had 42,697, then it went up to 46,433 in the following year, and then, according to your figures, in the 3 succeeding years, it will not approach this figure in 1963; right?

Mr. LOUGHRAN. Agreed, sir.

EL PASO CUSTOMS-IMMIGRATION STATION

Mr. ROONEY. What is the situation with regard to the customs-immigration station in El Paso, Tex.?

Mr. LOUGHRAN. You are familiar with the situation in the Chamizal Zone?

Mr. ROONEY. That is the reason I asked the question.

Mr. LOUGHRAN. In El Paso the Service has the Santa Fe Street Building and the Cordova Island Building which went to Mexico as a result of the Chamizal Zone settlement. General Services Administration has funds for construction of a new channel and a new station for immigration-customs at Santa Fe Street and a station at Cordova Island. I am not sure exactly when they will be completed but they have approximately 2 years, as I recall, from the date of the settlement of Chamizal Zone questions, to have them in operation.

With respect to the Immigration Service itself, we had a border patrol sector headquarters building and a detention facility in the area transferred to the Mexican Government. We are in the process of acquiring land on the international airport at El Paso on which to construct a building for the border patrol sector headquarters and the detention facility.

There was $1.1 million granted for this item in the Chamizal Zone appropriation.

APPLICATION REESTIMATES

Mr. ROONEY. Mr. Loughran, while you were telling us about El Paso, my recollection has been refreshed concerning your estimates.

It now appears that when you were here last year, you told us you estimated in 1964 there would be 170,000 applications by petition for naturalization; right?

Mr. LOUGHRAN. Yes, sir.
Mr. ROONEY. It turned out you were wrong, did it not?
Mr. LOUGHRAN. Yes, sir.
Mr. ROONEY. The figure turned out to be 151,629?
Mr. LOUGHRAN. Yes, sir.
Mr. ROONEY. When you were making your estimate last year for 1965 you told us you expected 175,000 applications by way of petition for naturalization; right?
Mr. LOUGHRAN. Yes, sir.
Mr. ROONEY. It turns out you have made a reestimate this time, have you?
Mr. LOUGHRAN. Yes, sir.
Mr. ROONEY. It is only 155,000; right?
Mr. LOUGHRAN. Yes, sir.

FILM SCENARIO WRITER

Mr. ROONEY. I wonder if you could tell us some more about the scenario writer of this film on which you want to spend $75,000?
Mr. LOUGHRAN. Mr. Chairman, the purpose of the film is to dispel any fear aliens have or would have with respect to their naturalization process.
Mr. ROONEY. I should not think that that would be necessary with Mr. Farrell as Commissioner. We have never had a more humane Commissioner of Immigration in the history of the Service.
Mr. LOUGHRAN. Everybody perfectly agrees, sir. I have no idea how this gets into the mind of an alien but there apparently is some fear. Otherwise, the potential figure on citizenship we just discussed would be more nearly realized.
It just has not been, as our statistics indicate.
This film would be sent to various organizations, on request, for showing primarily to alien groups.
We estimate that $75,000 would do it.
Mr. ROONEY. How many projectionists would you have in connection with this?
Mr. LOUGHRAN. We would have no projectionists on our payroll. We would require the services of a writer, director, and the professionals in the field of film making. The Commissioner would decide, not only on the script, but the actors and practically——
Mr. ROONEY. You mean he would not take the lead himself?
Mr. LOUGHRAN. I am not sure that he would.
Mr. ROONEY. I have an idea that he should. He is not that kind of a fellow though? He is very modest.
Mr. LOUGHRAN. He is very busy.
You may recall this "Twentieth Century Pilgrim" film we have been using since about 1951 is a bit outmoded as the Commissioner said a while ago.
Mr. ROONEY. Who is the Commissioner in that film, Argyle Mackey?
Mr. LOUGHRAN. I do not remember.
Mr. ROONEY. It had to be Argyle.
Mr. LOUGHRAN. The existing film entitled "Twentieth Century Pilgrim," was made in 1951. The motivating factor behind the entire film and the completion of the same, all the way from the writing of the script to the completed film, was our present Commissioner.

Modes of dress and other things have changed in 15 years.

It is time we updated it. With $75,000, we feel certain we can get this done.

Mr. ROONEY. This does not have any connection with the fall off in naturalization business, or in other areas, does it?

Mr. LOUGHRAN. No true connection, sir. We recognize that with the dispelling of fears, persons who must now have such fears would be forthcoming for citizenship. We are not selling citizenship for the United States, but as to people who are worried about what they think they must go through, it is our duty to make the truth known.

MASTER INDEX RELOCATION

Mr. ROONEY. What about this matter of the $157,500 for a master index relocation shown on page 25–23?

Mr. LOUGHRAN. Under the Immigration and Nationality Act, the Service must keep a record in the central index of every alien who has entered the United States. At the present time, there are approximately 37 million cards in this index.

There are about 3.5 million cards added each year and about 400,000 cards deleted from this index each year.

At the present time, we have this housed in 63 mechanical index machines, including 3 added this current fiscal year.

Incidentally, each machine provides about 5,000 linear inches of filing space and at our accession rate, we need five machines each for 1966, 1967, and 1968.

We had hoped to be in a position to recommend to the Attorney General, and then, through the Bureau of the Budget, get approval to come to the Hill with a request for electronic data processing equipment. However, we are first going to make absolutely certain we know exactly what we need. There is not going to be any wastage of any type whatsoever.

There must be a complete feasibility study as many changes in forms and procedures are required.

In the interim, we will have to come to the Hill for each of the next few fiscal years and request funds for approximately five of these indexing machines. Every square foot of the space we are in at the present time is taken, so we must have the index relocated. It is a must since there is no more space available where we are. We are certain we can find less expensive space than in a first-class office building.

First class office building space rents for $4 to $5 a square foot. We would hope to find space in a Government building which would be much less expensive, possibly in the area of $1.50 a square foot.

We have need for the space that would be vacated. It is not profitable, Mr. Chairman, just to take a portion of a master index of the type we have and relocate it in another space because, in searching through all of the myriad alien lists and every name in the book, as you can well imagine, we constantly refer from one machine to the other, and it would be more than cumbersome if we just moved out part of it.

Mr. ROONEY. Where are the 63 machines presently?

Mr. LOUGHRAN. The 63 machines are presently located on the second floor of the building at 119 D Street NE., Washington, D.C.

Mr. ROONEY. That is the headquarters building of Immigration?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. Where would you locate those 63 machines under this proposal?

Mr. LOUGHRAN. We would locate them outside of that building, in space which GSA would assign to us. We have no particular spot designated.

Some time ago, in figuring what we were going to do as a result of continuing expansion of this index, we talked with people at GSA and it appeared we might be placed in one of the buildings in the old navy yard down on the Anacostia River.

I have no idea where they would place us today.

If we get the grant of this from the committee, we will go to GSA and they will do what they can for us, I am sure.

Mr. ROONEY. How much square footage at 119 D Street NE., do these 63 machines occupy at the present time?

Mr. LOUGHRAN. There is 7,500 square feet of space occupied by the machines.

Mr. ROONEY. How much a square foot did we pay in rent?

Mr. LOUGHRAN. The building is owned by the Federal Government, but prior to that we paid to an independent realtor $4 per square foot. That was a bargain since it was on the Hill.

Mr. ROONEY. If you were to move the 63 machines out of the second floor on D Street, what would you use that space for, making this movie?

Mr. LOUGHRAN. No, sir. The movie, I would like to indicate, would be made by professionals. I am sure that that is the way the Commissioner would want it done. We have need for that space because we are overcrowded as we are.

Mr. ROONEY. Although you are reducing your number of employees, you need that space, too, 7,500 square feet?

Mr. LOUGHRAN. The 7,500 square feet we would definitely need.

The naturalization examiners, sir, are at various locations around the country.

Mr. ROONEY. Do I understand correctly then that you are not making any decrease in employment here in the District of Columbia at all?

Mr. LOUGHRAN. We are making a decrease. You will recall last year you granted us 44 temporary clerical positions.

Mr. ROONEY. You want to make them permanent?

Mr. LOUGHRAN. No, sir; they have been eliminated, to get to our base. They have been deducted.

Mr. ROONEY. Suppose you go ahead and buy this equipment for $157,500? That is not all equipment, is it?

Mr. LOUGHRAN. That is the relocation cost.

Mr. ROONEY. That is right.

POSSIBLE BUILDING RENT

Is there any possibility this relocation would go into a building where you would have to pay rent?

Mr. LOUGHRAN. We are not planning on that. That would be a possibility, but I would assume there may be some space available in one of the buildings at the old navy yard.

Mr. ROONEY. Do you have any assurance from General Services that there is?

Mr. LOUGHRAN. None whatsoever, sir.

Mr. ROONEY. Do you have any assurance of any space from GSA where you would not have to pay rent?

Mr. LOUGHRAN. No; I have no assurance from General Services Administration of any space where we would not have to pay rent.

Mr. ROONEY. If all they had was a commercial building, you would have to pay rent, would you?

Mr. LOUGHRAN. We would have to pay the first year's rent.

Mr. ROONEY. That is what I am talking about.

You would not need to spend money for construction of this platform and other items such as electric wiring and other things if you went into a building where you would pay rent?

Mr. LOUGHRAN. Mr. Chairman, the machines are constructed in such a fashion that you must have the platform. A large part of the machine is below the platform which provides an elevated working surface. There is a large section of machine between the elevated surface and the original floor.

Mr. ROONEY. If you would get to the point where we were to use electronic equipment, as you referred to a while ago, what would happen to the present 63 machines?

Mr. LOUGHRAN. They would be obsolete to our needs, sir.

Mr. ROONEY. How much have we spent on them so far, including the amount in this budget?

Mr. LOUGHRAN. Approximately $266,000.

Mr. ROONEY. Is there some way of holding this in abeyance for fiscal years 1966, 1967, and 1968 in view of the possibility of electronic equipment taking the place of these machines?

Mr. LOUGHRAN. No, sir; we have no way of holding it in abeyance because of the fact we have a net accession rate of 3.1 million cards per year. Each of the new machines holds approximately 700,000 cards.

Mr. ROONEY. Mr. Joelson?

SALE OF CESSNA AIRPLANES

Mr. JOELSON. What about the sale of these Cessna airplanes? Am I correct in understanding you sold three Cessnas for $500 each?

Mr. LOUGHRAN. That is what we estimate will be given for them.

Mr. JOELSON. How much would the Cessna 185 cost new and when did you get it?

Mr. LOUGHRAN. The Cessna 185 would cost approximately $24,000 and it would be more than 4 years old.

Mr. JOELSON. More than four?

Mr. LOUGHRAN. At least. I could get you the exact date.

Mr. JOELSON. I do not know anything about airplanes but it seems $500 for a 4-year-old Cessna is pretty cheap. Are these sold by bid?

Mr. LOUGHRAN. Yes; by bid.

Mr. JOELSON. Do you do that?

Mr. LOUGHRAN. No, sir; we declare them surplus to GSA.

Mr. JOELSON. As to the film, you say it is distributed to alien groups or groups to which aliens might have access?

Mr. LOUGHRAN. Yes, sir.

Mr. JOELSON. Could you give us a few examples of who would get those films?

Mr. LOUGHRAN. Public schools. I cannot think of others offhand, but I can certainly supply you with a list of persons who have used them in the past year.

Mr. FARRELL. Adult education groups, for example, Americanization schools, and social agencies concerned with immigration.

Mr. JOELSON. It concerns me that the people for whom these films are produced very often do not get to see them but other people get to see them.

I have no other questions.

Mr. ROONEY. Mr. Cederberg?

Mr. CEDERBERG. I would think that the individual who was over here and eligible for citizenship should want to become a citizen without having to see this film. I do not know the right word, perhaps it is propagandized or educated, but all this is available to him.

My father came here as an immigrant from Sweden and it did not take him long to become a citizen.

Are we losing touch now with some of these people? Have they been here so long they have delayed applying for citizenship?

Mr. LOUGHRAN. I think they just delay. I have no idea why they delay.

As I mentioned a while ago, 1,778,844 aliens arrived in the United States as immigrants between 1953 and 1959. They would have been eligible from 1958 to 1964 to be naturalized, but only 858,058 persons were naturalized during that period. I have no idea what the reason is.

Mr. CEDERBERG. Maybe they do not value U.S. citizenship as they did in the old days when we had a great immigration influx, let us say around the 1900's?

That is all I have.

Thank you.

Mr. BROWN. Mr. Chairman, before we adjourn, let me say on behalf of Mr. Andretta, who was not here in person but who I know was here in heart and spirit, that we thank you for your patience and the courtesy extended the witnesses for the Department of Justice who have appeared on this side of the table.

Mr. ROONEY. Thank you very much, Mr. Brown.

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