ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. MORSE. Mr. President, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 44 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, July 30, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 29, 1958:

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier generals

Col. William Henry Sterling Wright, O18129, United States Army.

Col. David Parker Gibbs, O19189, United States Army.

Col. Archibald William Lyon, O18682, United States Army.

Col. Alvin Charles Welling, O18983, United States Army.

Col. Francis Hill, O19058, United States Army.

Col. John Thomas Honeycutt, O18975, United States Army.

Col. Augustus George Elegar, O18625, United States Army.

Col. Ethan Allen Chapman, O19076, United States Army.

Col. David Cletus Lewis, O29735, United States Army.

Col. Frederick Otto Hartel, O19254, United States Army.

Col. William Ennis Robert Sullivan, O29635, United States Army.

Col. John Maurice Henderson, Jr., O29410, United States Army.

Col. John Andrew Seitz, O30137, United States Army.

Col. Walter Abner Huntsberry, O19200, United States Army.

Col. Francis Willard Pruitt, O17812, Medical Corps, United States Army.

The following-named officer for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general, Dental Corps

Col. Henry Richard Sydenham, O18654, Dental Corps, United States Army.

CONFIRMATION

Executive nomination confirmed by the Senate, July 29, 1958:

CIRCUIT COURTS, TERRITORY OF HAWAII

Harry R. Hewitt, of Hawaii, to be fifth judge of the first circuit, circuit courts, Territory of Hawaii, for a term of 6 years.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 29, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Galatians 3: 11: *The just shall live by faith.*

O Thou infinite and infallible God, may we come to the tasks of this new day with minds and hearts that are receptive and responsive to the guidance of Thy divine Spirit.

Inspire us with the assurance of Thy grace and wisdom as we strive to find the ways to universal peace and brotherhood.

Grant that we may authenticate the glory and grandeur of our democracy by our labor and longings to minister to the needs of all mankind.

Strengthen and sustain our President, our Speaker, and all the Members of Congress in their deep concern for the honor and security of our beloved country.

Hear us in Christ's name. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H. R. 855. An act to designate the dam being constructed in connection with the Eagle Gorge Reservoir project on the Green River, Wash., as the Howard A. Hanson Dam;

H. R. 1298. An act for the relief of Vincent N. Caldes;

H. R. 1331. An act for the relief of Sadie Lobe;

H. R. 1376. An act for the relief of Bernard L. Phipps;

H. R. 1772. An act for the relief of Sigfried Olsen Shipping Co.;

H. R. 1884. An act for the relief of Jack Carpenter;

H. R. 1885. An act for the relief of Edwin Matusiak;

H. R. 2083. An act for the relief of Carl A. Willson;

H. R. 2647. An act for the relief of D. S. and Elizabeth Laney;

H. R. 3513. An act to amend title 10, United States Code, relating to the entitlement to reenlistment under certain circumstances of certain former officers;

H. R. 4535. An act for the relief of Ernest C. St. Onge;

H. R. 5062. An act for the relief of Albert H. Ruppar;

H. R. 5219. An act to provide tax relief to the Heavy and General Laborers' Local Unions 472 and 172 of New Jersey pension fund and the contributors thereto;

H. R. 5441. An act for the relief of Scott Berry;

H. R. 5855. An act for the relief of Manuel Mello;

H. R. 5922. An act for the relief of William Lavallo;

H. R. 6405. An act for the relief of Arnie W. Lohman;

H. R. 6492. An act for the relief of Maj. Harold J. O'Connell;

H. R. 6530. An act for the relief of Arthur L. Bornstein;

H. R. 6824. An act for the relief of the family of Joseph A. Morgan;

H. R. 7241. An act to amend section 6 of the act of March 3, 1921 (41 Stat. 1355), entitled "An act providing for the allotment of lands within the Fort Belknap Indian Reservation, Mont., and for other purposes";

H. R. 7267. An act for the relief of Charles J. Jennings;

H. R. 7375. An act for the relief of Edward J. Doyle and Mrs. Edward J. (Billie M.) Doyle;

H. R. 7660. An act for the relief of Dan Hill;

H. R. 7681. An act to authorize the Secretary of the Interior to convey certain land with the improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe;

H. R. 7684. An act to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention;

H. R. 7734. An act to exempt certain teachers in the Canal Zone public schools from prohibitions against the holding of dual offices and the receipt of double salaries;

H. R. 7944. An act for the relief of the Spera Construction Co.;

H. R. 8015. An act for the relief of the Harmo Tire and Rubber Corp.;

H. R. 8147. An act for the relief of Kenneth W. Lenghart;

H. R. 8252. An act to amend section 3237 of title 18 of the United States Code to define the place at which certain offenses against the income tax laws take place;

H. R. 8282. An act for the relief of James E. Driscoll;

H. R. 8444. An act for the relief of Lloyd Lucero;

H. R. 8645. An act to amend section 9, subsection (d), of the Reclamation Project Act of 1939, and for other related purposes;

H. R. 8875. An act for the relief of Mr. and Mrs. George Holden;

H. R. 9015. An act for the relief of William V. Dobbins;

H. R. 9139. An act to amend the law with respect to civil and criminal jurisdiction over Indian country in Alaska;

H. R. 9181. An act for the relief of Herbert H. Howell;

H. R. 9222. An act for the relief of Dr. Edgar Scott;

H. R. 9397. An act for the relief of William T. Manning Co., Inc., of Fall River, Mass.;

H. R. 9885. An act for the relief of Frank A. Gyescek;

H. R. 10142. An act for the relief of Hugh Lee Fant;

H. R. 10260. An act for the relief of Natale H. Bellocchi and Oscar R. Edmondson;

H. R. 10426. An act to provide that the Federal-Aid Highway Act of 1956 (Public Law 627, 84th Cong., chap. 462, 2d sess.) shall be amended to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years following the fiscal year in which such request is made;

H. R. 11305. An act to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses;

H. R. 11549. An act to provide for the preparation of a proposed revision of the Canal Zone Code, together with appropriate ancillary material;

H. R. 12293. An act to establish the Hudson-Champlain Celebration Commission, and for other purposes;

H. R. 12617. An act to amend sections 2 and 3 of the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, relating to the trust funds of the Shoshone and Arapahoe Tribes, and for other purposes;

H. R. 13209. An act to provide for adjustments in the lands or interests therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof; and

H. Con. Res. 344. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress up to and including the 86th Congress.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 985. An act to provide that chief judges of circuit and district courts shall cease to serve as such upon reaching the age of 75;

H. R. 1574. An act for the relief of Albert Hyrapiet;

H. R. 1827. An act for the relief of Annunziata Gambini and Tomazo Gambini;

H. R. 2677. An act for the relief of former Staff Sgt. Edward R. Stouffer;

H. R. 2824. An act to provide for the distribution of the land and assets of certain Indian rancherias and reservations in California, and for other purposes;

H. R. 2966. An act for the relief of Harry F. Lindall;

H. R. 6239. An act to amend sections 1461 and 1462 of title 18 of the United States Code;

H. R. 6701. An act granting the consent and approval of Congress to the Tennessee River Basin Water Pollution Control Compact;

H. R. 7140. An act to amend title 10, United States Code, to authorize a registrar at the United States Military Academy, and for other purposes;

H. R. 7177. An act for the relief of Edward J. Bolger;

H. R. 7941. An act for the relief of Mrs. Harry B. Kesler;

H. R. 8826. An act to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, with respect to proceedings in the Patent Office;

H. R. 10805. An act for the relief of certain persons who sustained damages by reason of fluctuations in the water level of the Lake of the Woods;

H. R. 11378. An act to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws;

H. R. 11874. An act to record the lawful admission for permanent residence of certain aliens who entered the United States prior to June 28, 1940; and

H. R. 12140. An act to amend the act of December 2, 1942, and the act of August 16, 1941, relating to injury, disability, and death resulting from war-risk hazards and from employment, suffered by employees of contractors of the United States, and for other purposes.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 163. An act to extend the period for filing claims under the War Claims Act of 1948;

S. 571. An act for the relief of George P. E. Caesar, Jr.;

S. 761. An act for the relief of Charles C. and George C. Finn;

S. 765. An act to increase the authorization for the appropriation of funds to complete the International Peace Garden, N. Dak.;

S. 1416. An act granting the consent of Congress to a Great Lakes Basin Compact, and for other purposes;

S. 1439. An act to amend title 28, United States Code, with respect to fees of United States marshals;

S. 1450. An act providing a method of determining the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them due to the cancellation of their grazing permits by the United States Air Force;

S. 2001. An act for the relief of AlaLu Duncan Dillard;

S. 2052. An act for the relief of Heinz Farmer;

S. 2793. An act to provide for the conveyance of a pumping station and related facilities of the Intracoastal Waterway System at Algiers, La., to the Jefferson-Plaquemines Drainage District, Louisiana;

S. 2922. An act to authorize per capita payments to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation, and for other purposes;

S. 3112. An act to provide for the appointment of an assistant to the Secretary of State to be known as the Assistant for International Cultural Relations;

S. 3316. An act for the relief of Kiyoshi Ueda;

S. 3330. An act for the relief of Leopoldo Rodriguez-Meza and Adela Rodriguez Gonzales;

S. 3448. An act to authorize the acquisition and disposition of certain private lands and the establishment of the size of farm units on the Seedskadee reclamation project, Wyoming, and for other purposes;

S. 3615. An act for the relief of Wendy Levine;

S. 3653. An act to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes;

S. 3665. An act for the relief of Choe Kum Bok;

S. 3712. An act to authorize appropriations for continuing the construction of the Rama Road in Nicaragua;

S. 3749. An act for the relief of Milan Boric;

S. 3754. An act to provide for the exchange of lands between the United States and the Navaho Tribe, and for other purposes;

S. 3780. An act for the conveyance of certain property in New Mexico to the Pueblo of Santa Domingo;

S. 3790. An act for the relief of Marie Silk;

S. 3874. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 3875. An act to amend section 2412 (b), title 28, United States Code, with respect to the taxation of costs;

S. 3876. An act to provide for the relocation of the National Training School for Boys, and for other purposes;

S. 3949. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation;

S. 3972. An act for the relief of Knud Erik Didriksen;

S. 3976. An act for the relief of Salvatore Verderaime;

S. 4165. An act to amend the Atomic Energy Act of 1954, as amended;

S. 4174. An act to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies;

S. Con. Res. 102. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, to be placed in the Statuary Hall collection;

S. Con. Res. 103. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Dr. Florence Rena Sabin and authorizing ceremonies on such occasion; and

S. Con. Res. 104. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin.

AUTHORIZATION TO DECLARE RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time today for the Speaker to declare a recess for the purpose of receiving the Prime Minister of the Republic of Italy.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE OF ESCORT

The SPEAKER. The Chair appoints as Members of the House to escort our distinguished visitor to the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from Pennsylvania Mr. [MORGAN], the gentleman from Illinois [Mr. CHIPERFIELD], the gentleman from New York [Mr. ANFUSO], and the gentleman from Connecticut [Mr. MORANO]

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 3 minutes p. m.) the House stood in recess subject to the call of the Chair.

VISIT OF HIS EXCELLENCY AMINTORE FANFANI, PRIME MINISTER OF THE REPUBLIC OF ITALY

During the recess the following occurred:

The Doorkeeper (at 12 o'clock and 15 minutes p. m.) announced His Excellency Amintore Fanfani, Prime Minister of the Republic of Italy.

The Prime Minister of the Republic of Italy, escorted by the Committee of Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, it gives me great pleasure, and I deem it a distinct honor to have the privilege of presenting to you the representative of a great, a free, and a friendly people, the Prime Minister of the Republic of Italy. [Applause, the Members rising.]

The PRIME MINISTER. Mr. Speaker, Honorable Representatives, with deep feeling I have crossed the threshold of the Hall in which your assembly sits and works. Highly resplendent here is the light of the great tradition of freedom of the American people. The echo of the deeply moved voice of two great Italians still resounds among these walls.

Twice already in the last 10 years two very authoritative voices have expressed our anxieties, our problems, our purposes. You remember that on September 24, 1951, Alcide de Gasperi, as head of the Italian Government was asking your assistance, keeping in mind that the Italian nation is working hard and needs working opportunities above all.

On February 29, 1956, Giovanni Gronchi, as President of our Republic was witnessing to the fact that the balance of the first 10 years after the libertion had been a favorable one, and he asked the Congress to tell the American people that the help given Italy had not been wasted.

These precious testimonials and exhortations can only be confirmed now.

Since the time when those words were pronounced here in Washington 2

years ago, Italy has made further progress in all fields. She has consolidated her economy. She has better balanced her national budget. She has improved the living conditions of her people. Consequently, after 10 years of hard government action, in recent elections the support given to Alcide de Gasperi's party has grown, while for the first time since 1946 the number of Communist deputies has decreased. [Applause.]

The whole nation has acquired a firmer confidence in her future.

I believe that this greater confidence has resulted in the greater attention with which our people follow the development of international life, anxious to bring, by their ideas and their action, a pacifying contribution to their tumultuous course.

In this appearance of Italy on the horizon of great international life, no one should see symptoms of restlessness or of slightly lessened solidarity.

If anything, there is further proof that the common action of all the Allies, and in the first place the generous solidarity of the United States of America for the rebirth and reconstruction of Italy, have scored a full success. So much so that, now that we have overcome the most acute anxieties of our gravest internal problems, we intend to reciprocate, as we now can do, the Allies' aid, cooperating in our turn to solve the problems besetting the world and the Atlantic community of which we are a part. [Applause.]

Your assistance in stabilizing the life of our democracy has placed us in a position to contribute to the stabilization of life in the great family of the free people, integrated by the nations who are aiming at a more secure freedom.

This cooperation Italy intends to give, within the limits of her power, within the framework of her alliances, with the certainty that we contribute to averting from other areas of the world that danger of Communist subversion which has been averted in our land. [Applause.]

There has recently been much talk of Italian plans and programs to consolidate peace in the world, especially threatened today by the restlessness and the aspirations of the people of the Middle East.

It is not up to a country which does not possess all the means to uphold them, to formulate and propose plans, in the strict sense of the word.

We are a people living close to the danger area, possessing a knowledge of it that goes back into the millennia, and we are in a position to talk to the populations which inhabit them without arousing suspicion because, long since, we have had no possessions to defend or to extend. It is the duty of such a people to make their allies aware of their anxieties, their experiences, their own suggestions whether these experiences and suggestions concern the contingent aspects of the situation or the permanent ones; whether they consider the manner by which the temporary guaranties required of the friends of the threatened people can be substituted by other guaranties; whether they concern the orderly peaceful political evolution or the necessary economic assistance to those territories as a whole: of one thing we can be certain, namely, that such suggestions will only be aimed at stimulating and contributing to the solutions of problems that are already on the table. And, by our ideas and suggestions, we pledge ourselves to contribute our action and our endeavors to the peaceful widening of the area of freedom and prosperity in the Mediterranean and the Middle East. [Applause.]

The high ideal values we have in common, the close pledges we have given with our allies, the identical danger threatening our way of life: These are the safest guaranties that Italy is firmly on the side of freedom, and that it works and intends to work for peace in security.

We Italians are convinced that this common work, organically articulated in common action, will increase the concreteness and effectiveness of the allied effort, drawing toward this effort new friendly feeling of peoples now being tempted toward other communities that love peace and progress only in appearance, for they are the enemies of freedom.

We Italians are also certain that by such actions we shall make more intimate and cordial the already intimate and cordial collaboration of our country with the United States of America.

Mr. Speaker, Honorable Representatives. The meetings in which I have the honor of participating now in Washington will produce other positive results in terms of the friendship between the United States and Italy, and for the future development of action of the free peoples of the West. You can rely on that.

The frank exchange of opinion will reinvigorate our mutual collaboration. And this will continue to be the cornerstone of that edifice of civilization to which we are dedicated, in the service of our peoples, for peace in the world in the observance of that justice which God requires of men. [Applause, the Members rising.]

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 40 minutes p. m.

PRINTING PROCEEDINGS HAD DURING RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings during the recess be printed in the RECORD.

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

There was no objection.

PRIME MINISTER FANFANI OF ITALY

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ANFUSO] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ANFUSO. Mr. Speaker, this morning we have all had the pleasure of hearing from one of Europe's most important and influential leaders, His Excellency Amintore Fanfani, Prime Minister and Foreign Minister of Italy. He is a close friend and collaborator of Chancellor Konrad Adenauer, of Germany, in the unification of Europe, and a devoted friend of the United States.

During our presidential conventions of 1956, he was the guest of President Eisenhower at the San Francisco convention. I had the distinct honor of having him as my guest in Chicago. It was there that he met many of the leaders of Congress and was profoundly impressed with our democratic form of government.

Recently his party, the Democratic Christian Party, and other allied parties, won a stunning victory over the Communist Party in Italy, second largest in the world next to that of Russia. This victory was achieved in spite of threats of annihilation and economic starvation emanating from Communist orators.

The visit to the United States of 1956—Premier Fanfani's first—had a great deal to do, in my opinion, with the inspirational drive led by the Prime Minister, then secretary-general of his party, in which the majority of the freedom-loving people of Italy were convinced that the United States could be counted on as a trusted ally and friend of the people of Italy.

I know that my colleagues here will give this outstanding leader a genuine ovation and the encouragement he needs to carry out the great fight he is waging against communism and for peace in our time.

The presence of Prime Minister Fanfani in this country, who is well acquainted with the situation in the Middle East, is most welcome at this time. Let us never lose sight of Italy's strategic position in the Mediterranean and the fact that our Middle East drive gets its commencement and support from ports and bases in Italy.

Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD three editorials on Prime Minister Fanfani, the first from the Washington Star of July 28, the second from the Washington Post of July 29, and the third from the New York Times of July 29, 1958, as follows:

[From the Washington Evening Star of July 28, 1958]

GUEST FROM ITALY

Amintore Fanfani, Italy's new Prime Minister, will be here in Washington for only a brief stay. But there nevertheless will be enough time for him to present a full exposition of his government's views to the top representatives of the United States, from the President on down.

This latest of our overseas guests, who serves also as Italy's Foreign Minister, is a scholar of considerable stature and a politician of distinction in his own country.

Further than that, as he has demonstrated over the years, he is a man dedicated to the principles of freedom and to the indispensable efforts of the Western Alliance—the North Atlantic Treaty Organization—to defend and preserve those principles as the be-all and end-all of a decent way of life. Accordingly, what he will have to say to Mr. Eisenhower and other key Americans is certain to receive an attentive hearing.

As he himself has put it in a formal statement, Mr. Fanfani believes that his visit and talks here can hardly fail not only to strengthen the already close ties between Italy and the United States, but also to enhance the common action for the defense of freedom and the guaranty of peace in security. To that end he is expected to discuss, among other things, his country's still somewhat vaguely articulated plan for a far-reaching multination program to promote the economic development of the Middle East and north Africa.

Needless to say, at this particular moment, when the West seems to be groping for a sound approach to the Middle East crisis, Mr. Fanfani's ideas—or, more precisely, the ideas of the Italian Government—will be accorded something much better than a cursory or protocol-polite reception. In that sense, wholly apart from the occasion's social amenities, he can be sure that he is most welcome among us.

[From the Washington Post and Times Herald of July 29, 1958]

COUNSELOR FROM ITALY

Prime Minister Amintore Fanfani, of Italy, has come to Washington at a delicate point in the relations between the Atlantic powers and the countries of the Near East. We hope that he will talk frankly to administration leaders about how official American attitudes look to this country's friends in Europe. Sometimes known as the Jim Farley of Italy because of his previous position as secretary of the Christian Democratic Party, Signor Fanfani has shown himself to be an eminently practical politician with an understanding of the need for a broad base of economic and social progress. The recent success of the Christian Democrats at the polls attested the effectiveness of the moderate parties in concentrating on such advance.

Apart from any discussion of direct Italo-American issues, Signor Fanfani's counsel ought to be welcomed on larger free-world problems. He represents a government which, in addition to its demonstrated faith in European unity and Atlantic solidarity, has special ties of geography and trade with north Africa and the Near East. A year or more ago the then Italian Foreign Minister, Giuseppe Pella, proposed a plan whereby Marshall plan loan repayments would be funneled into an economic program for the Near East; although this suggestion was spurned at the time, it may have considerably more attraction in retrospect. In any event, whatever ideas Signor Fanfani may have for bridging the interests of the Atlantic nations and the Near East ought to be accepted gratefully. His country's position as a proved friend of the United States warrants full consultation with Italy.

[From the New York Times, July 29, 1958]

FANFANI IN WASHINGTON

It was a fortunate chance that Premier Fanfani of Italy should have been invited by the White House to come to the United States at this moment. This is a time, thanks to the Middle East crisis, when the United States especially needs the support, advice and friendly criticisms of her allies.

In postwar Italy we have always had a stanch ally—and in Amintore Fanfani a statesman—who is sympathetic and cooperative, but who has a mind of his own. His chief field is economics, to which he has given a lifetime career as teacher and author, and it is in the application of progressive economic ideas that Premier Fanfani sees a great part of his work as head of the new government in Rome.

He is one of a large group of determined Italian Europeans and considers the Atlantic Alliance as a fundamental instrument for Italian policy. When the Middle Eastern crisis broke 2 weeks ago it was natural for Premier Fanfani to think in terms of the NATO Council and the United Nations, especially the former. His approach, as always, was essentially economic. If reports from Rome are true, he feels that the Arab world, including Nasser's Egypt, will work in harmony with the West if measures are taken to raise Arab standards of living through an international organization like NATO.

Professor Fanfani has come here with fresh ideas and as the representative of the younger generation of Italian politicians. It is worth remembering that in moving our troops and materiel from Germany to Lebanon, Naples was the chief transit point, and it is a main base of our Sixth Fleet. For many reasons, therefore, Premier Fanfani is a welcome guest.

AMENDING TITLE 10, UNITED STATES CODE, TO AUTHORIZE A REGISTRAR AT UNITED STATES MILITARY ACADEMY

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7140) to amend title 10, United States Code, to authorize a registrar at the United States Military Academy, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, preceding line 18, insert:

"(13) Section 8075 (b) (2) is amended by inserting the word ', registrar,' after the word 'professors.'

"(14) Section 8204 is amended to read as follows:

"'§ 8204. Regular Air Force: commissioned officers on active list

"'The authorized strength of the Regular Air Force in commissioned officers on the active list is the sum of—

"'(1) the numbers authorized by section 8205 of this title;

"'(2) the number of permanent professors of the United States Air Force Academy authorized by section 9331 of this title and the registrar thereof; and

"'(3) the numbers in designated categories specifically authorized by law as additional numbers.'

"(15) Section 8205 is amended by inserting the words 'and the registrar' after the word 'professors.'

"(16) Section 8296 (a) is amended by inserting the words 'and the registrar' after the word 'professors.'

"(17) Section 8883 is amended by inserting the words 'or the registrar' after the word 'professor.'

"(18) Section 8886 is amended by inserting the words 'and the registrar' after the word 'professor.'

"(19) Section 9331 (b) is amended by inserting the following new clause at the end thereof:

"'(6) A registrar.'

"(20) Section 9333 is amended by adding the following new subsection at the end thereof:

"'(c) The registrar of the Academy shall be appointed by the President, by and with the advice and consent of the Senate, and shall perform such duties as the Superintendent of the Academy may prescribe with the approval of the Secretary of the Air Force.'

"(21) Section 9334 (b) is amended by inserting the words 'and the registrar' after the word 'professors.'

"(22) Section 9336 is amended—

"(A) by inserting the designation '(a)' before the words 'A permanent professor of the Academy';

"(B) by adding the following new subsections at the end thereof:

"'(b) A person appointed as registrar of the Academy has the regular grade of lieutenant colonel, and, after he has served 6 years as registrar, has the regular grade of colonel. However, a person appointed from the Regular Air Force has the regular grade of colonel after the date when he completes 6 years of service as registrar, or after the date when a promotion-list officer, junior to him on the promotion list on which his name was carried before his appointment as registrar, is promoted to the regular grade of colonel, whichever is earlier.

"'(c) Unless he is serving in a higher grade, an officer detailed to perform the duties of registrar has, while performing those duties, the temporary grade of lieutenant colonel and, after performing those duties for a period of 6 years, has the temporary grade of colonel.'; and

"(C) by amending the catchline to read as follows:

"'§ 9336. Permanent professors; registrar.'

"(23) The analysis of chapter 903 is amended by striking out the following items:

"'9336. Permanent professors.'

and inserting the following item in place thereof:

"'9336. Permanent professors; registrar.'"

Amend the title so as to read: "An act to amend title 10, United States Code, to authorize a registrar at the United States Military Academy and the United States Air Force Academy, and for other purposes."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CONFEREES ON H. R. 376

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Mr. POAGE and Mr. HOEVEN be excused as members of the conference committee on H. R. 376, to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges, and that the Speaker be authorized to appoint conferees in their place.

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

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Mr. THOMPSON of Texas and Mr. SIMPSON of Illinois.

The clerk will notify the Senate accordingly.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Com-

mittee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

TEMPORARY APPROPRIATIONS FISCAL YEAR 1959

Mr. CANNON from the Committee on Appropriations reported the joint resolution (H. J. Res. 672) amending a joint resolution making temporary appropriations for the fiscal year 1959, and for other purposes, which was read a first and second time, and referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 672) amending a joint resolution making temporary appropriations for the fiscal year 1959, and for other purposes.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That clause (c) of section 102 of the joint resolution of June 30, 1958 (Public Law 85-472), is hereby amended by striking out "July 31, 1958" and inserting in lieu thereof "August 31, 1958."

SEC. 2. The amount appropriated by subsection (b) of section 101 of such joint resolution for mutual security programs is hereby increased from "$200,000,000" to "$300,000,000."

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first bill on the Calendar.

EVA S. WINDER

The Clerk called the bill (S. 488) for the relief of Eva S. Winder.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding section 3774 (b) of the Internal Revenue Code of 1939, the Secretary of the Treasury shall consider, and allow if otherwise allowable, the claims filed on March 9, 1948, by Eva S. Winder, of Deming, N. Mex., for refunds of overpayments of her income taxes for the years 1945 and 1946. No interest shall be allowed on the refunds claimed herein for any period of time.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CASEY JIMENEZ

The Clerk called the bill (S. 1879) for the relief of Casey Jimenez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Casey Jimenez, of Tucumcari, N. Mex., a veteran of World War II, the sum of $1,292, representing the amount expended by the said Casey Jimenez for an emergency operation after he had been refused admittance to the veterans hospital in Amarillo, Tex., and for medical and hospital expenses incurred incident to such operation: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM F. PELTIER

The Clerk called the bill (S. 2146) for the relief of William F. Peltier.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the act of October 20, 1951 (65 Stat. 574); authorizing payments to certain disabled veterans for the purchase of automobiles, William F. Peltier, a totally disabled veteran of World War II who lost a hand as the result of a service-incurred injury, shall be deemed to have filed his application for the benefits of such act prior to October 20, 1956.

With the following committee amendments:

Page 1, line 3, strike out "the act of October 20, 1951 (65 Stat. 574)" and insert "title 7 of the Veterans' Benefits Act of 1957 (71 Stat. 115)";

Page 1, line 9, strike out "for the benefits of such act prior to October 20, 1956" and insert "for this benefit within the time limit prescribed in section 705 of title 7 of the Veterans' Benefits Act of 1957: *Provided*, That the said William F. Peltier shall file an application for such benefits within 1 year of the effective date of this act."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF L. L. McCANDLESS, DECEASED

The Clerk called the bill (H. R. 11200) for the relief of the estate of L. L. McCandless, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the trustees of the estate of L. L. McCandless, deceased, the sum of $65,894.29. The payment of such sum shall be in full settlement of all claims against the United States arising out of the activities of the Armed Forces of the United States on and after December 7, 1941, with respect to the ranch operated by such trustees in the districts of Waianae and Waialua, island of Oahu, Territory of Hawaii. Such activities resulted in the loss of cattle, livestock, and other personal property belonging to such estate, as well as the loss of certain leases of real estate issued by the Territory of Hawaii, all such loss as found by the United States District Court for the Territory of Hawaii as follows: (a) 287 head of cattle lost, $12,915; (b) cost to plaintiffs of recovering stray cattle, $2,079; (c) 200 pigs, $3,000; (d) 2 horses, $250; (e) loss of 500 bags, 400 bags of algaroba beans and 200 redwood posts, $190; (f) value of general leases 1740 and 1741 for 4½ years, $41,460.29; (g) rental value of house and guest cottage, $6,000; total, $65,894.29: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DRAKE AMERICA CORP.

The Clerk called the resolution (H. Res. 621) for the relief of Drake America Corp.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 1357) entitled "A bill for the relief of Drake America Corp.", together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BONIFACIO SANTOS

The Clerk called the bill (H. R. 6773) for the relief of Bonifacio Santos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 (3,000 pesos) to Bonifacio Santos, of Oakland, Calif., in full settlement of all claims against the United States. Such sum represents the amount of money loaned or furnished the Luzon Guerrilla Army Forces, USAFFE, in support of the guerrilla forces during the year 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed

guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILBERT L. MOORE

The Clerk called the bill (H. R. 7688) for the relief of Filbert L. Moore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $448.70 to Filbert L. Moore, of Baltimore, Md., in full settlement of all claims against the United States. Such sum represents the cost of transportation of his privately owned automobile from Baltimore, Md., to San Francisco, Calif., for further shipment to Okinawa, on November 27, 1953, while he was serving in the United States Army: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUBERT D. THATCHER, ET AL.

The Clerk called the bill (H. R. 8905) for the relief of Hubert D. Thatcher, Robert R. Redston, Andrew E. Johnson, William L. Barber, Alex Kamkoff, and William S. Denisewich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons enumerated below the sums specified, in full settlement of all claims against the Government of the United States as reimbursement for personal effects destroyed as a result of the fire which occurred on October 28, 1955, at Copper "D" survey location, mile 61, Valdez, Alaska, when the claimants were employed by the Alaska Road Commission (now the Bureau of Public Roads): Hubert D. Thatcher, $359.25; Robert R. Redston, $161; Andrew E. Johnson, $293.25; William L. Barber, $141; Alex Kamkoff, $394; and William S. Denisewich, $200.

SEC. 2. No part of the amounts appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. MARION S. SYMMS

The Clerk called the bill (H. R. 9765) for the relief of Mr. Marion S. Symms.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any statutory period of limitation, refund or credit shall be made or allowed to Marion S. Symms, Augusta, Ga., of any overpayments made by him for the taxable year ending December 31, 1952, of taxes imposed by chapter 1 of the Internal Revenue Code of 1939, if claim therefor is filed within 6 months after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS MARY M. BROWNE

The Clerk called the bill (H. R. 9993) for the relief of Miss Mary M. Browne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any statutory period of limitation, refund or credit shall be made or allowed to Mary M. Browne, Norton, Kans., of any overpayment made by her for the taxable year ending December 31, 1951, of taxes imposed by chapter 1 of the Internal Revenue Code of 1939, if claim therefor is filed within 1 year after the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR G. WILLIAMS

The Clerk called the bill (H. R. 11236) for the relief of Arthur G. Williams.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That Arthur G. Williams, Assistant Postmaster, Jesup, Georgia, is relieved from liability for repayment to the United States of the amount due the United States on account of the embezzlement of $11,163.72 of post office funds by Leon W. Martin, substitute clerk in the Jesup post office in the State of Georgia, during the period July 1950 and March 1951: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AARON GREEN, JR.

The Clerk called the bill (H. R. 11921) for the relief of Aaron Green, Jr.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That Aaron Green, Jr., of 24 Wakullah Street, Roxbury, Mass., is hereby relieved of all liability to repay to the United States the sum of $1,045 representing the total of allotment payments made to his wife, Mrs. Sarah E. Green, in the period from April 1, 1942, through October 31, 1945, inclusive, which have been ruled to have been overpayments because only two deductions were made from his Army pay in accordance with the authorization he executed directing that the proper deductions be made from his pay in order that a class E allotment would be paid to his wife.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: Page 1, line 3, after "Junior" insert "and Sarah E. Green, his wife."

Page 1, line 4, strike out "is" and insert "are."

Page 1, line 6, strike out "his" and insert "the."

Page 1, line 12, strike out "his pay" and insert "the pay of the said Aaron Green, Jr."

Page 1, line 13, after "wife" add the following sentence "In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for the amount for which liability is relieved by this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL J. CONLIN

The Clerk called the bill (H. R. 12060) for the relief of Michael J. Conlin.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael J. Conlin, of Grand Rapids, Mich., the sum of $350. The payment of such sum shall be in full settlement of all claims of Michael J. Conlin against the United States for expenses and damages as a result of his being wrongfully advised of the disciplinary status of his son, Robert Conlin (United States Marine Corps, service No. 1377560), on or about July 22, 1955.

With the following committee amendment:

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALPHONSE E. JAKUBAUSKAS

The Clerk called the bill (H. R. 12256) for the relief of Alphonse E. Jakubauskas.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alphonse E.

Jakubauskas, Pomona, Calif., the sum of $250. Such sum represents the amount for which the said Alphonse E. Jakubauskas was held liable on March 18, 1958, in the courts of the State of Connecticut, as the result of an accident which occurred on October 21, 1953, and which involved a Government vehicle being driven by the said Alphonse E. Jakubauskas in the course of his duties as an employee of the United States Post Office Department in Waterbury, Conn. Such sum shall be paid only on condition that the said Alphonse E. Jakubauskas shall use such sum, or so much thereof as may be necessary, to pay the amount for which he was held liable on March 18, 1958: *Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VIOLA BARKSDALE

The Clerk called the bill (H. R. 12364) for the relief of Mrs. Viola Barksdale.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the award of death compensation which the Veterans' Administration has held that Mrs. Viola Barksdale, of Lynchburg, Va., is entitled to receive as a result of its finding on April 28, 1958, that the death of her late husband, Elwood L. Barksdale, on July 3, 1940, was proximately caused by his service-connected disabilities, shall be held and considered to be effective as of the date of the said Elwood L. Barksdale's death on the basis of her original claim for such death compensation which she filed on August 3, 1940, just one month after her husband's death; and the Administrator of Veterans' Affairs is hereby authorized and directed to make retroactive payments in accordance with such entitlement.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER H. BERRY

The Clerk called the bill (H. R. 12942) for the relief of Walter H. Berry.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter H. Berry, of Washington, Ind., the sum of $260 in full satisfaction of all his claims against the United States for salary for the period from August 6, 1948, to and including September 1, 1948, during which he was erroneously separated from his CAF-7 civil-service position at the United States Naval Ammunition Depot, Crane, Ind., and for which he has not otherwise received compensation: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out "1948" and insert "1947" in two places.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVERETT A. ROSS

The Clerk called the bill (H. R. 13151) for the relief of Everett A. Ross.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Everett A. Ross, Stockton, Calif., the sum of $712.61. Such sum represents the amount of the judgment and costs for which the said Everett A. Ross was held liable on February 4, 1952, in a civil action in the justice court of Stockton, Calif., as the result of an accident which occurred at the intersection of Charter Way and Sharps Lane in Stockton, Calif., on November 3, 1950, and which involved a United States mail truck being driven by the said Everett A. Ross, a temporary letter carrier in the United States Post Office, Stockton, Calif. Such sum shall be paid only on condition that the said Everett A. Ross shall use such sum, or so much thereof as may be necessary, to pay such judgment and costs in full: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 8, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORREST E. DECKER

The Clerk called the bill (H. R. 13312) for the relief of Forrest E. Decker.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chief Warrant Officer Forrest E. Decker, rural delivery No. 1, Commodore, Pa., the sum of $241.94, in full settlement of all claims against the United States for damages on account of loss or destruction of household goods and personal property belonging to Forrest E. Decker that were destroyed by fire on December 4, 1956, while in the warehouse of National Movers Co., Inc., East Rutherford, N. J. The sum of $241.94 is in addition to the sum of $6,500 previously paid to Forrest E. Decker for this fire loss pursuant to the provisions of the Military Personnel Claims Act (10 U. S. C. 2732), as implemented by Army regulations: *Provided,* That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (S. Con. Res. 83) for the relief of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244 (a) (5) of the Immigration and Nationality Act (66 Stat. 214; 8 U. S. C. 1254 (c)):

A-10150440, Herrmann, William Ernst.
A-1607807, Latva, Karl Assari.
A-2752014, Nagae, Toshiyoshi.
A-2183058, Ritchie, Anna.
A-2429881, Rotzer, John.
A-2476554, Akelaitis, Anthony Peter.
A-5591361, Brisbeno-Cerano, Pablo.
A-2154168, Gerard, Thursa Bashey.
A-4296775, Philippou, Michael.
A-5077628, Abrams, William.
A-1884341, Billeck, Mike.
A-1223150, Franzone, Peter.
A-8765622, Ramos-Alonzo, Valentin.
A-4753944, Souza, Manuel Francis.
A-1024497, Strk, Ilija.
A-4317593, Vir, David.
A-8844394, Waulke, Samuel S.
A-5940048, Wienski (Wiensky), Nicholas.
A-5858232, Contreras-Munoz, Jose.
A-5969807, Cehringer, Henry Charles.
A-5472840, Derymonjian, Oskan.
A-4285329, Heeney, William Michael Francis.
A-4765082, Lledo, Jaime Cano.
A-5987889, Pietzak, Joseph Adam.
A-5093624, Anthonis, Frank.
A-3090457, Butler, Anna Lucretia.
A-4335159, Gugenhan, Frederick.
A-4011582, Luper, Max.
A-3007376, Orosco, Nabor.
A-1199762, Thompson, Arthur Fisher.
A-4792609, Tima, Emery James.
A-5418531, Kuch, Bronislaw.
A-2746556, Nunez-Arreguin, Francisco.
A-4539823, Sailer, Johann N.
A-1852300, Valdastri, Joseph.
A-10139136, Weiner, Benjamin.
A-2807195, Burnett, John Lionel.
A-1229447, Echevarria, Felipe.
A-5048277, Geller, Samuel.
A-5052632, Israel (Izrael), Joseph.
A-5511254, Sollano (Sallano), Salvatore.
A-5592838, Sonneborn, Herbert Joseph.
A-1895860, Tellez-Lara, Salvador.
A-5967610, Toy, Nee.
A-4656191, Wantroba (Watroba) Thomas.
A-4717588, Zukowski, Antonina.
A-4282074, Krawczuk, Peter.
A-2471862, Miszer, Ignatz.
A-8925175, Rich, Martha Lucille.
A-4926883, Leonelli, Eldo.
A-10255683, Ross, Maurice.
A-1899483, Bravo, Lucio.
A-3073370, Consiglio, Anthony.

A-4495275, Evans, Julia.
A-6151475, Lowenthal, Philip Herman.
A-2053517, Aalto, George.
A-8890731, Constante-Fregoso, Rogilio.
A-1048255, Espinosa-Delgado, Miguel.
A-3818164, Jugloff, Theodore Louis.
A-1453355, Naftaniel, Nick.
A-10155976, Sederes, James George.
A-3339304, Brini, Pasquale Luigi.
A-2129962, Flores, Lino B.
A-2157328, Suarez, Ysidro, Jr.
A-4760319, Ho, Chu Hum.
A-6038920, Liedtke, Fred.
A-2481240, Puretz, Leo.
A-3411085, Tornello, Michael.
A-6487465, Valenti, Rocco.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JESUS ANGEL-MORENO

The Clerk called the resolution (S. Con. Res. 92) withdrawing suspension of deportation in the case of Jesus Angel-Moreno.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. A. 1256 (a)), withdraws the suspension of deportation in the case of Jesus Angel-Moreno (A-8065711) which was previously granted by the Attorney General and approved by the Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BLANCA G. HIDALGO

The Clerk called the bill (S. 616) for the relief of Blanca G. Hidalgo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Blanca G. Hidalgo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHARD K. LIM AND MARGARET K. LIM

The Clerk called the bill (S. 1987) for the relief of Richard K. Lim and Margaret K. Lim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Richard K. Lim and Margaret K. Lim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOUAD (FRED) KASSIS

The Clerk called the bill (S. 3136) for the relief of Fouad (Fred) Kassis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Fouad (Fred) Kassis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENOVEVA RIOSECO CASWELL

The Clerk called the bill H. R. 9160 for the relief of Genoveva Rioseco Caswell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Genoveva Rioseco Caswell, who lost United States citizenship under the provisions of section 404 (c) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Genoveva Rioseco Caswell shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STIRLEY LOUIS BERUTICH

The Clerk called the bill (H. R. 3579) for the relief of Stirley Louis Berutich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Stirley Louis Berutich may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 5, after the word "be" insert "issued a visa and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HENRY OSCAR (OLGA McCURDY) RAMSEY

The Clerk called the bill (H. R. 9783) for the relief of Mrs. Henry Oscar (Olga McCurdy) Ramsey.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

TSUYAKO IKEDA

The Clerk called the bill (H. R. 9851) for the relief of Tsuyako Ikeda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Tsuyako Ikeda, who lost United States citizenship under the provisions of section 401 (e) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Tsuyako Ikeda shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. KUNIGUNDE BELDIE

The Clerk called the bill (H. R. 12944) for the relief of Mrs. Kunigunde Beldie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Kunigunde Beldie, who lost United States citizenship under the provisions of section 404 (b) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act. From and after naturalization under this act, the said Mrs. Kunigunde Beldie shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS TEREZ CSENCSITS

The Clerk called the bill (H. R. 11357) for the relief of Miss Terez Csencsits.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationalty Act, Miss Terez Csencsits may be issued a visa and admitted

to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF REAL PROPERTY AT DEMOPOLIS LOCK AND DAM PROJECT (ALABAMA)

The Clerk called the bill (S. 3053) to authorize the Secretary of the Army to convey certain real property at Demopolis lock and dam project, Alabama, to the heirs of the former owner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army shall convey subject to exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as he determines are in the public interest, all right, title, and interest of the United States in and to the two parcels of real property described in section 2 of this act, for a consideration of $27,120, to the following four individuals, as tenants in common: (1) Nettie L. Richard, Demopolis, Ala., (2) Florence L. Morris, Demopolis, Ala., (3) Tessie L. Marx, New Orleans, La., and (4) Helen L. Levi, Evansville, Ind.

SEC. 2. The two parcels of real property referred to in the first section of this act are more particularly described as follows:

(1) A tract of land being the east half of the east half of the northwest quarter of the southeast quarter and the north half of the west quarter of the northeast quarter of the southeast quarter of section 17, township 18 north, range 2 east, Saint Stephens meridian, Sumter County, Ala., containing 15 acres, more or less, known as tract numbered A–194.

(2) A tract of land lying approximately in the west half of section 27, and west half of section 34 lying northeast of the Tombigbee River, and that part of northeast quarter of section 33 lying northeast of the Tombigbee River, in township 19 north, range 2 east, St. Stephens meridian, Greene County, Ala., containing 525 acres, more or less, and known as tract numbered B–224.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUNGE CORP.

The Clerk called the bill (H. R. 8997) for the relief of Bunge Corp., New York, N. Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any moneys in the Treasury not otherwise appropriated, to Bunge Corp., New York, N. Y., the sum of $1,082.58. The payment of such sum shall be in full settlement of all claims of the said Bunge Corp. against the United States on account of the erroneous appraisement and liquidation of New York consumption entry No. 842743 of March 8, 1951, resulting in excessive customs duties being charged against such merchandise.

With the following committee amendment:

Page 2, line 1, after "merchandise" insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUREX CORP.

The Clerk called the resolution (H. Res. 630) to refer to the Court of Claims the bill H. R. 3677 for the relief of the Aurex Corp.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 3677) entitled "A bill for the relief of the Aurex Corp.", now pending in the House, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CAROLINA M. GOMES

The Clerk called the bill (S. 1782) for the relief of Carolina M. Gomes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, Carolina M. Gomes, who lost United States citizenship under the provisions of section 404 (b) of the Nationality Act of 1940, may be naturalized by taking, prior to 1 year after the date of the enactment of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such act. From and after naturalization under this act, the said Carolina M. Gomes shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, in the administration of the Immigration and Nationality Act, Carolina M. Gomes shall be deemed to be a nonquota immigrant."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING THE ADMISSION OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 652) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Catherine Mokides, shall be held and considered to be the natural-born alien child of John and Constantina Mokides, citizens of the United States.

SEC. 2. For the purposes of the Immigration and Nationality Act, Etsuko Hori shall be deemed to be a nonquota immigrant.

SEC. 3. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Vincenzo Guliotta Salpietro, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Franco Salpietro, citizens of the United States.

SEC. 4. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Constante Saguiling Nuval Tacata, shall be held and considered to be the natural-born alien child of George T. Tacata, a citizen of the United States, and his wife, Constancia Nuval de Tacata, a lawfully resident alien of the United States.

SEC. 5. For the purposes of section 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Aurelio and Vicencio Restauro shall be held and considered to be the minor natural-born alien children of Florentino Restauro, a citizen of the United States.

SEC. 6. Notwithstanding the provisions of sections 201 (a) and 202 (a) and (b) of the Immigration and Nationality Act, Elizabeth Augestad shall be held to have been born in Norway.

SEC. 7. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Ashghen and Hagop Tozlian shall be held and considered to be the minor natural-born alien children of Peter Tozlian, a citizen of the United States.

SEC. 8. For the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, Maria Stella LiDestri shall be held and considered to be the alien minor child of Mr. Raffaelo LiDestri, a lawful resident alien of the United States.

SEC. 9. The natural parents of the beneficiaries of sections 1, 3, and 4 of this act shall not, by virtue of such parentage, be accorded any right, privilege, or status, under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, beginning on line 8, strike out all of section 2 and insert a new section 2 to read as follows:

"SEC. 2. For the purpose of section 101 (a) (27) (F) of the Immigration and Nationality Act, Etsuko Hori shall be deemed to be the minor child of her father, Reverend Iwahei Hori, who was admitted to the United States as a nonquota immigrant under the said section."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 653) for the relief of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Rosa Pera Patterson, Mrs. Catherine Gandy Starnone, Beatriz Isabel Richter, and John Haskell Chesshir shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

SEC. 2. For the purposes of the Immigration and Nationality Act, Carmen Andreatta, Arman Sarkis Giritliyan (also known as Arman Giritlian) Wang Fai (Freddie) Chun, Hermine Keshishyan, Mrs. Maria Richter Cornell, Irene Theopile Richter, and Kinji House shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees: *Provided*, That the natural parents of Hermine Keshishyan and Kinji House shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act. Upon the granting of permanent residence to each alien as provided for in this section of this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

SEC. 3. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Velid Mehmed Dag and Ko Wai Sing. From and after the date of the enactment of this act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

SEC. 4. For the purposes of the Immigration and Nationality Act, Doctor Jorge Alberto Morales-Palacios shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 27, 1951.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIROKO OZAKI

The Clerk called the bill (S. 2691) for the relief of Hiroko Ozaki.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Hiroko Ozaki, shall be held and considered to be the natural-born alien child of Major and Mrs. Jack E. Smith, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS SUSANA CLARA MAGALONA

The Clerk called the bill (S. 2860) for the relief of Miss Susana Clara Magalona.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miss Susana Clara Magalona shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. W. NELSON CO., INC.

The Clerk called the resolution (H. Res. 636) to refer to the Court of Claims the bill H. R. 6234 for the relief of the H. W. Nelson Co., Inc.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 6234) entitled "A bill for the relief of the H. W. Nelson Co., Inc.," now pending in the House, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BIAGGIO D'ALESSANDRO

The Clerk called the bill (H. R. 9798) for the relief of Biaggio D'Alessandro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Biaggio D'Alessandro, East Boston, Mass., the sum of $20,000. The payment of such sum shall be in full settlement of all claims of the said Biaggio D'Alessandro against the United States on account of the death of his son, John D'Alessandro, who died on June 30, 1952, as the result of sunstroke suffered while a member of the Reserve Officers Training Corps unit of Boston University attending the annual training encampment of such unit: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike "Biaggio D'Alessandro, East Boston, Mass." and insert "the estate of John V. D'Alessandro."

Page 1, line 5, strike "$20,000" and insert "$10,000."

Page 1, lines 7 and 8, strike "Biaggio D'Alessandro" and insert "estate."

Page 1, line 9, strike "his son, John D'Alessandro" and insert "John V. D'Alessandro."

Page 2, line 3, strike "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of John V. D'Alessandro."

A motion to reconsider was laid on the table.

SUCK PIL RA

The Clerk called the bill (H. R. 12365) for the relief of the estate of Suck Pil Ra.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to the estate of Suck Pil Ra, a citizen of Korea, in full settlement of all claims against the United States. Such sum represents compensation for the death of said Suck Pil Ra, who was killed by a United States soldier, Private First Class Wallace L. Holman, on or about February 15, 1951, while serving in Korea: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out the figures and insert in lieu thereof "$5,000."

Page 2, line 1, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PALMER-BEE CO.

The Clerk called the bill (H. R. 12624) for the relief of Palmer-Bee Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Palmer-Bee Co. the sum of $527,703.79, representing the amount reported by the United States Court of Claims to the Congress in response to House Resolution 547, 83d Congress, 2d session (Congressional No. 8-54 decided May 7, 1958) to be the losses incurred by Palmer-Bee Co. during the years 1946, 1947, and 1948 in the performance of 3 subcontracts (2 dated June 25, 1945, and 1 dated August 31, 1945) for the design, development, and production of a quantity of nutating radar antennas, by and between Palmer-Bee Co. and Submarine Signal Co., prime contractor with the Navy Department under contracts NOrd 7923, NOrd 9598, and NOrd 7250: *Provided*,

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike "$527,703.79" and insert "$132,886.61."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BORIS F. NAVRATIL

The Clerk called the bill (H. R. 3571) for the relief of Boris F. Navratil.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States, Boris F. Navratil may be naturalized at any time after the date of enactment of this act if he is otherwise eligible for naturalization under the provisions of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WOLFGANG STRESEMANN

The Clerk called the bill (H. R. 12903) for the relief of Wolfgang Stresemann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, section 352 (a) (1) shall be held not applicable in the case of Wolfgang Stresemann: *Provided,* That he returns to the United States prior to October 20, 1961.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 659) for the relief of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Mrs. Persfoni Angelo Pritsos, Dennis McGill, Lorenzo Ramirez-Jimenez, Giuseppe Calabro, and Felipe Ollama. From and after the date of the enactment of this act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

SEC. 2. For the purposes of the Immigration and Nationality Act, Peter Henry Reich and Domenico Spagnoletti shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 3. For the purposes of the Immigration and Nationality Act, Ewald Fritz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. Upon the granting of permanent residence to such alien as provided for in this section of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING THE ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 660) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, for the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, the minor child, Antonietta Ferrante, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Dante Ferrante, lawfully resident aliens of the United States.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Zoran Lambic shall be held and considered to be the natural-born minor alien child of Mr. Lazar Lambic, a citizen of the United States.

SEC. 3. For the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, Mariano Abate shall be held and considered to be the natural-born minor alien child of Alfonso Abate, a lawfully resident alien of the United States.

SEC. 4. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Miodrag Kitanovich shall be held and considered to be the natural-born minor alien child of Milan Kitanovich, a citizen of the Uinted States.

SEC. 5. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Toshio Yuzawa Hill shall be held and considered to be the natural-born alien minor child of William C. Hill, a citizen of the United States.

SEC. 6. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, James Joseph Martin, shall be held and considered to be the natural-born alien child of Mr. and Mrs. James H. Martin, citizens of the United States.

SEC. 7. For the purposes of section 203 (a) (3) of the Immigration and Nationality Act, Mrs. Luna Maria Pennacchia, Angela Louisa Pennacchia, Anna Pennacchia, Pierino Antonio Pennacchia, Mario Gino Pennacchia, Antonio Pennacchia, and Luigi Giovanni Pennacchia shall be held to be classifiable as third preference quota immigrants, notwithstanding the requirements of section 205 of that act.

SEC. 8. For the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, the minor child, Etta Wiesbauer, shall be held and considered to be the natural-born alien child of Walter Frederick Wiesbauer, a lawfully resident alien of the United States.

SEC. 9. The natural parents of the beneficiaries of sections 5 and 6 of this act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 3, line 7, strike out the name "Etta Wiesbauer" and substitute in lieu thereof the name "Edda A. Wiesbauer."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAIVING PROVISIONS OF SECTION 212 (a) IN BEHALF OF CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 661) to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Laibeck Teitelbaum and Gunars Steprans-Staprans may be issued visas and admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 2. Notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Guadalupe Gucho-Gonzalez may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

SEC. 3. Notwithstanding the provisions of section 212 (a) (9) and (19) of the Immigration and Nationality Act, Miguel Arreola-Cortez may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

SEC. 4. Notwithstanding the provision of section 212 (a) (1) of the Immigration and Nationality Act, Mirjam Haye and Francesca Magazzeni may be issued visas and admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 5. The exemptions provided for in this act shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

S. SGT. EDWARD R. STOUFFER

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2677) for the relief of former S. Sgt. Edward R. Stouffer, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 4 and 5, strike out "in excess of 10 percent thereof."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EDWARD J. BOLGER

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7177) for the relief of Edward J. Bolger, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 1, strike out all after "Park", down to and including "full" in line 4, and insert "New Jersey."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. HARRY B. KESLER

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7941) for the relief of Mrs. Harry B. Kesler, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 2, strike out all after "act", down to and including "act" in line 4.

Page 2, after line 6, insert:

"SEC. 2. If Mrs. Harry B. Kesler is in receipt of, or is entitled to receive from the United States, any payments or other benefits (other than the proceeds of any insurance policy) under any other act of Congress by reason of the death and service of her husband, she shall not receive on her own behalf or on behalf of her child any benefits pursuant to the Federal Employees' Compensation Act unless, within 1 year following the date of enactment of this act, she makes the election required by section 7 of the Federal Employees' Compensation Act, as amended (5 U. S. C. 757): *Provided, however,* That any award made pursuant to the provisions of the Federal Employees' Compensation Act for any period prior to the date of the enactment of this act shall be reduced by the amount of payments or benefits (other than the proceeds of any insurance policy) received by Mrs. Harry B. Kesler under any other act of Congress by reason of the same service and death of her husband."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HARRY F. LINDALL

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2966) for the relief of Harry F. Lindall, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LANE, MONTOYA, and POFF.

SCHOOLS IN AREAS AFFECTED BY FEDERAL ACTIVITIES

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 31, strike out lines 7 and 8 and insert:

"(2) by striking out the period at the end of clause (B) of paragraph (2) and inserting in lieu thereof a comma and the following: 'except that such 3-percent requirement need not be met by such agency for any period of 2 fiscal years which follows a fiscal year during which such agency met such requirement and was entitled to payment under the provisions of this section, but the payment, under the provisions of this section to such agency for the second fiscal year of any such 2-year period during which such requirement is not met, shall be reduced by 50 percent of the amount thereof.'"

Page 31, lines 20 and 21, strike out "those provisions" and insert "the provisions of the last sentence."

Page 33, after line 13, insert:

"(e) Section 3 (e) of such act is amended by adding the word 'actually' after the words '(as defined in section 2 (b) (1)) and.'"

Page 33, line 14, after "203." insert "(a)."

Page 33, line 16, after "'1961'" insert "and (2) by inserting after '50 percent of such product' the following: 'reduced by the amount of such product which is attributable to children with respect to whom such agency is, or upon application would be, entitled to receive any payment under section 3 for such fiscal year.'"

Page 33, after line 16, insert:

"(b) Subparagraph (A) of section 4 (c) of such act is amended by striking out 'year, and' and inserting in lieu thereof 'year: *Provided*, That the Commissioner shall count for such purposes as an increase directly resulting from activities of the United States, an increase in the number of children who reside on Federal property or reside with a parent employed on Federal property, if the local educational agency files, in accordance with regulations of the Commissioner, its election that such increase be counted for such purposes instead of for the purposes of section 3; and.'"

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

Mr. FRELINGHUYSEN. Reserving the right to object, Mr. Speaker, I wonder if the gentleman would care to expand on the nature of the amendments adopted by the other body.

Mr. BARDEN. The first amendment is an amendment that underwent considerable discussion in the House committee relative to the effect on a school district when a Federal activity diminishes or ceases. The amendment provides for continued payments during the first year and half payments during the second year for the federally connected children that remain in the schools after the school district fails to qualify.

The second amendment provides that when a substantial and sudden impact takes place the school district affected can receive payments in accordance with their actual per-pupil cost for education; but only in cases where there is a deficit in school financing.

The last amendment provides for more official administration of the act. It authorizes the Department to deduct other Federal payments from payments made under Public Law 874 only in those cases where those funds have actually been used for school purposes.

Mr. FRELINGHUYSEN. Is there an estimate as to the additional cost these amendments may involve?

Mr. BARDEN. The estimate as to the first amendment is $1,700,000. As to the second, it is approximately $2,500,000. The third one does not cost anything.

Mr. FRELINGHUYSEN. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SELF-EMPLOYED INDIVIDUALS' RETIREMENT ACT OF 1958

Mr. KEOGH. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, as amended.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Self-Employed Individuals' Retirement Act of 1958."

SEC. 2. Deduction of amounts paid as retirement deposits.

(a) Adjusted gross income: Section 62 of the Internal Revenue Code of 1954 (relating to definition of adjusted gross income) is

amended by inserting after paragraph (6) the following new paragraph:

"(7) Deduction of amounts paid as retirement deposits: The deduction allowed by section 217."

(b) Allowance of deduction: Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by renumbering section 217 as section 218 and by inserting after section 216 the following new section:

"SEC. 217. Amounts paid as retirement deposits.

"(a) General rule: In the case of a self-employed individual, there shall be allowed as a deduction amounts paid by him within the taxable year as retirement deposits. Any amount paid by an individual as a retirement deposit on or before the 15th day of the 4th month following the close of the taxable year may, at his election (made under regulations prescribed by the Secretary or his delegate), be treated as having been paid on the last day of such taxable year. No deduction shall be allowed under this section for any taxable year of the taxpayer beginning after he attains age 70.

"(b) Limitations.—

"(1) Annual limit: Except as provided in paragraph (2), the amount allowable under subsection (a) to any self-employed individual for any taxable year shall not exceed whichever of the following is the lesser:

"(A) $2,500, or

"(B) 10 percent of his net earnings from self-employment (as defined in subsection (d)).

"(2) Annual limit for individuals attaining age 50 before 1959: In the case of any individual who attained age 50 before January 1, 1959, the annual limit for the taxable year provided by paragraph (1) shall be increased by one-tenth for each full year of his age in excess of 50, determined as of January 1, 1959.

"(3) Lifetime limit: The aggregate amount allowed as deductions to an individual under subsection (a) for all taxable years during his lifetime shall not exceed an amount equal to 20 times the maximum annual deduction allowable if the annual limit provided in paragraph (1) (A) (computed without the application of paragraph (2)) were the only annual limit.

"(4) Lifetime limit for participants in certain employee plans: In the case of an individual who—

"(A) for any prior taxable year has received any amount under an employee plan (as defined in subsection (c) (2) (B)), or

"(B) at the close of the immediately preceding taxable year, has nonforfeitable rights in any such plan,

if any portion of such amounts or rights is attributable to an employer contribution, the lifetime limit provided in paragraph (3) shall be computed by using (in lieu of 20) a lesser number, equal to 20 reduced by the number of years of such individual's service to which his rights under such plan are attributable.

"(c) Self-employed individual defined.—

"(1) In general: For purposes of this section, the term 'self-employed individual' means, with respect to any taxable year, any individual who is subject to tax for the taxable year under section 1401 (imposing a tax on self-employment income), or who would be subject to such tax for the taxable year but for—

"(A) paragraph (4) (relating to ministers of a church and members of a religious order) or paragraph (5) (relating to physicians, etc.) of section 1402 (c), or

"(B) section 1402 (b) (1) (relating to reduction of net earnings for wages paid).

"(2) Individuals covered by certain employee plans.—

"(A) In general: Notwithstanding paragraph (1), the term 'self-employed individual', with respect to any taxable year, does not include an individual—

"(i) who during such taxable year receives an amount any portion of which is attributable to an employer contribution under an employee plan, or

"(ii) in respect of whom during such taxable year an employer contribution is made (or treated under section 404 (a) (6) as having been made) under an employee plan, whether or not such individual's rights under the plan are nonforfeitable.

"(B) Employee plan defined: For purposes of subparagraph (A) of this paragraph and subsection (b) (4), the term 'employee plan' means—

"(i) a penson, profit-sharing, or stock bonus plan described in section 401 (a) which is exempt from tax under section 501 (a), or an annuity plan meeting the requirements of section 401 (a) (3), (4), (5), and (6), or

"(ii) a pension plan established for its employees by the United States or any agency thereof, by a State or Territory or the District of Columbia or any political subdivision or instrumentality thereof, or by any organization described in section 501 (c) (3) (relating to religious, charitable, etc., organizations) which is exempt from tax under section 501 (a).

For purposes of this subparagraph, references to provisions of this chapter shall be treated as including references to the corresponding provisions of the Internal Revenue Code of 1939.

"(d) Net earnings from self-employment defined: For purposes of this section, the term 'net earnings from self-employment' means the net earnings from self-employment as defined in section 1402 (a), but determined—

"(1) without regard to paragraphs (4) and (5) of section 1402 (c), and

"(2) without regard to items which are not included in gross income for purposes of this chapter, and the deductions properly allocable to or chargeable against such items.

"(e) Retirement deposit defined: For purposes of this section, the term 'retirement deposit' means a payment in money to—

"(1) a restricted retirement fund (as defined in section 405 (a)), or

"(2) a domestic life insurance company (as defined in section 801) as premiums under a restricted retirement policy issued on the life of the taxpayer.

In the case of premiums described in paragraph (2), only that portion of such premiums which (under regulations prescribed by the Secretary or his delegate) is properly allocable to the cost of restricted retirement benefits shall be allowable as a deduction under this section.

"(f) Restricted retirement policy defined.—

"(1) In general: For purposes of this section, the term 'restricted retirement policy' means a contract (other than a term insurance contract) which is an annuity, endowment, or life insurance contract, or combination thereof—

"(A) issued by a domestic life insurance company (as defined in section 801) on the life of the taxpayer,

"(B) which provides for the payment of restricted retirement benefits, and

"(C) which meets the requirements of paragraph (3).

"(2) Restricted retirement benefits: For purposes of paragraph (1) (B), a policy shall be treated as providing restricted retirement benefits only if it provides that the entire value of the policy is payable in one or more of the following methods:

"(A) to the insured not later than at age 70½,

"(B) to the insured as a life annuity (which may provide for a minimum term certain not extending beyond his life expectancy), beginning not later than at age 70½,

"(C) to the insured and his spouse as a joint life annuity or as a joint and survivor annuity (which may provide for a minimum term certain not extending beyond the insured's life expectancy), beginning not later than the time the insured attains age 70½, or

"(D) to the insured (or, in the event of his death, to his beneficiary) as an annuity certain beginning not later than the time the insured attains age 70½ and not extending beyond his life expectancy.

No annuity shall be treated as satisfying the requirements of subparagraph (B), (C), or (D) if it provides for payments which (after annuity payments begin) may increase for any reason other than dividends or increases in investment income allocable to the policy.

"(3) Restricted retirement policies must be nonassignable, etc.—

"(A) In general: To meet the requirements of this paragraph, a policy—

"(i) shall be nonassignable, and no person other than the insured shall have any of the incidents of ownership, and

"(ii) shall not provide for life insurance protection after age 70½.

"(B) Special rules: For purposes of subparagraph (A) (i), there shall not be taken into account—

"(i) the right to make any designation described in paragraph (2),

"(ii) the right to designate one or more beneficiaries to receive the proceeds payable in the event of the death of the insured before he attains age 70½, and

"(iii) any designation made pursuant to a right described in clause (i) or (ii).

"(g) Identification of policies and funds.—

"(1) Policies: No deduction shall be allowed under this section with respect to any amount paid as a premium on a restricted retirement policy for any period before such policy has been identified as such, in such manner and form as the Secretary or his delegate shall by regulations prescribe.

"(2) Funds: No deduction shall be allowed under this section with respect to any amount paid to a restricted retirement fund by any individual before such fund has been identified as such, and before such individual has been identified as a participant in such fund, in such manner and form as the Secretary or his delegate shall by regulations prescribe.

"(h) Face-amount certificates: For purposes of this title, any reference to a restricted retirement policy as defined in subsection (f) of this section shall be treated as including a face-amount certificate, as defined in section 2 (a) (15) of the Investment Company Act of 1940 (15 U. S. C., sec. 80a–2), issued after December 31, 1954, but only if such certificate provides restricted retirement benefits within the meaning of subsection (f) (2) and meets the requirements of subsection (f) (3). With respect to any face-amount certificate described in the preceding sentence, references to an insurance company or the insurer in this section and sections 78, 6047, and 7207 shall be treated as including a reference to the company issuing such certificate."

"(i) Cross references.—

"(1) For taxation of amounts received from a restricted retirement fund or policy, see section 78.

"(2) For provisions relating to information requirements with respect to restricted retirement funds and policies, see section 6047."

(c) Clerical amendment: The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"SEC. 217. Amounts paid as retirement deposits.

"SEC. 218. Cross references."

SEC. 3. Amounts received from restricted retirement funds or policies.

(a) General rule: Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 78. Amounts received from restricted retirement funds or policies.

"(a) Restricted retirement funds.—

"(1) In general: Except as otherwise provided in this section, amounts of money and the fair market value of property received from a restricted retirement fund shall be included in the recipient's gross income for the taxable year in which received.

"(2) Special rules: In the case of a restricted retirement fund—

"(A) Return of excess contributions: There shall be excluded from gross income any amount received which has become an excess contribution by reason of the disallowance of a deduction taken with respect to amounts paid to the fund, but only if such excess contribution (and the income attributable thereto) is returned as provided in section 405 (c) (2) (D). The exclusion provided by this subparagraph shall not apply to income attributable to any such excess contribution.

"(B) Contributions known to be excessive: If at any time an individual knowingly makes contributions to one or more restricted retirement funds in excess of the amount which he reasonably believes will be allowable as a deduction for such contributions for the taxable year, his entire interest in all restricted retirement funds shall be treated for purposes of paragraph (1) as amounts received during such taxable year.

"(C) Distribution of annuities: Notwithstanding any other provision of this subtitle, no amount shall be includible in gross income by reason of the receipt of an annuity contract from such fund, if such contract and the distribution thereof meets the requirements of section 405.

"(3) Prohibited transactions, etc.: If the trustee of a restricted retirement fund knowingly engages in a prohibited transaction (within the meaning of section 405 (d) (3)), the member (or members) in respect of whom such transaction occurred shall be treated as having received, in his taxable year in which such transaction occurred, his entire interest in the fund. The period for assessing a deficiency for any taxable year, to the extent attributable to the interest described in the preceding sentence, shall not expire before one year after the date on which the Secretary or his delegate is notified, in such manner as he shall by regulations prescribe, of such prohibited transaction.

"(4) Basis: The adjusted basis of any person in a restricted retirement fund shall be zero.

"(b) Policies.—

"(1) General rule: Any amount received under a restricted retirement policy shall be taxable under section 72 (relating to annuities) with the modifications set forth in paragraph (2).

"(2) Application of section 72: In applying section 72 for purposes of paragraph (1)—

"(A) Section 72 (e) (3) shall not apply.

"(B) Notwithstanding section 72 (e) (1) (B), any amount received before the annuity starting date shall be included in the recipient's gross income for the taxable year in which received to the extent that—

"(i) such amount, plus all amounts therebefore received by all persons under such policies and includible in gross income under this subparagraph, does not exceed

"(ii) the aggregate amount allowed as a deduction under section 217 with respect to the policy for the taxable year and all prior taxable years.

"(C) In computing—

"(i) the aggregate amount of premiums or other consideration paid for the policy for purposes of section 72 (c) (1) (A) (relating to investment in contract), and

"(ii) the aggregate premiums or other consideration paid for purposes of section 72 (e) (1) (B) (relating to certain amounts not received as an annuity),

there shall not be taken into account any amount allowed as a deduction under section 217, nor (as determined under regulations prescribed by the Secretary or his delegate) any portion of the premiums or other consideration which is properly allocable to other than the cost of restricted retirement benefits (within the meaning of section 217 (f) (2)). Proper adjustment to basis, or premiums or other consideration paid, shall be made for advances which are treated as income under paragraph (3) (B), and shall have been repaid.

"(3) Special rules: In the case of a restricted retirement policy—

"(A) Proceeds of life contracts payable by reason of death: Paragraph (1) shall not apply to the extent that amounts received under a life insurance contract by reason of the death of the insured exceed the cash surrender value of such contract immediately before the death of the insured, and to such extent such amounts shall be treated as provided in section 101.

"(B) Borrowing, purchase of insurance.—

"(i) If during any taxable year of the insured any part of the value of the policy is borrowed by the insured from the insurer, the amount so borrowed shall be treated for purposes of paragraph (1) as having been received by the insured under the policy during such taxable year. This clause shall not apply to a borrowing in an amount not in excess of the current annual premium, if applied to the payment of such premium and if repaid in full within 12 months after the due date of such premium.

"(ii) If, under any option or under any other arrangement with the insurance company, any amount of the value of a restricted retirement policy is applied to the purchase of other than restricted retirement benefits (within the meaning of section 217 (f) (2)), the entire cash surrender value of such policy at such time shall be treated for purposes of paragraph (1) as an amount received under such policy, except to the extent that such value is within 60 days after such time irrevocably converted into a contract which provides only such restricted retirement benefits.

"(iii) This subparagraph shall not apply in the case of any borrowing or any purchase, to the extent that the aggregate amount which has been so borrowed or applied does not exceed the cash surrender value at the time the policy (or a predecessor policy) became a restricted retirement policy.

"(C) Assignment of contract: If during any taxable year the insured assigns (or agrees to assign) any portion of the value of the policy in violation of section 217 (f) (3), the entire cash surrender value of such policy at such time shall be treated for purposes of paragraph (1) as an amount received under such policy.

"(D) Taxation of cash surrender value on death before age 70½: If the insured dies before he attains age 70½, the entire cash surrender value of a restricted retirement policy shall be treated for purposes of paragraph (1) as an amount received under the policy, except to the extent that such value is applied to provide an immediate annuity for his surviving spouse which will be payable for her life (or for a term certain not extending beyond her life expectancy).

"(c) Computation of tax.—

"(1) Amounts to which subsection applies: This subsection shall apply only to amounts (other than dividends) referred to in subsection (a) or (b) which are received by any person while the self-employed individual is living and has not attained age 64½ and includible in such person's gross income.

"(2) Income to be spread for purposes of computation.—

"(A) In general: If the aggregate of the amounts to which this subsection applies received by any person in his taxable year equals or exceeds $2,500, the increase in his tax for the taxable year in which such amounts are received shall not be less than 110 percent of the aggregate increase in taxes, for the taxable year and the four immediately preceding taxable years, which would have resulted if such amount had been included in such person's gross income ratably over such taxable years.

"(B) Period where deductions have been taken for less than 4 years: If the self-employed individual has been allowed deductions under section 217 for a number of prior taxable years less than 4, subparagraph (A) shall be applied by taking into account a number of taxable years immediately preceding the taxable year in which the amount was so received equal to such lesser number.

"(3) Amounts aggregating less than $2,500: If paragraph (2) does not apply to a person for the taxable year, the increase in tax of such person for the taxable year attributable to the inclusion in gross income of amounts to which this subsection applies shall be 110 percent of such increase (computed without regard to this paragraph).

"(d) Lump sum distributions of entire interest.—

"(1) Application of subsection: This subsection shall apply—

"(A) in the case of a self-employed individual, if—

"(i) after attaining age 64½ he receives within 1 taxable year his entire interest under all his restricted retirement funds and policies,

"(ii) he has been allowed deductions under section 217 for 5 or more prior taxable years (whether or not consecutive), and

"(iii) no person has theretofore received any amount under any of his restricted retirement funds or policies (other than dividends on such policies); and

"(B) in the case of the estate or other beneficiary of a deceased self-employed individual, if there is received by such beneficiary within 1 taxable year such beneficiary's entire interest under all restricted retirement funds and policies of the deceased.

"(2) Limitation on tax: In any case to which this subsection applies, the tax attributable to the amounts so received for the taxable year in which so received shall not be greater than 5 times the increase in tax resulting from the inclusion in gross income of the recipient of 20 percent of the amount so received which is includible in gross income.

"(e) Determination of taxable income: Notwithstanding section 63 (relating to definition of taxable income), for purposes only of computing the tax under this chapter attributable to amounts includible in gross income by reason of this section, the taxable income of the recipient for the taxable year of receipt (and for any other taxable year involved in the computation under subsection (c)) shall be treated as being not less than the amount by which—

"(1) the aggregate of such amounts so includible in gross income, exceeds

"(2) the amount of the deductions al- 151 (relating to deductions for personal lowed for such taxable year under section exemptions).

In any case in which the preceding sentence results in an increase in taxable income for any taxable year, the resulting increase in the taxes imposed by section 1 or 3 for such taxable year shall not be reduced by any

credit under part IV of subchapter A (other than section 31 thereof) which, but for this sentence, would be allowable.

"(f) Definitions: For purposes of this section—

"(1) Self-employed individual: The term 'self-employed individual' means an individual who has been allowed a deduction under section 217 for any taxable year.

"(2) Dividend: The term 'dividend' means any amount received, by a policyholder of a restricted retirement policy in his capacity as a policyholder, which is in the nature of a dividend or similar distribution.

"(3) Restricted retirement fund: The term 'restricted retirement fund' means any fund (including a predecessor fund) with respect to which the self-employed individual has been allowed a deduction under section 217 for any taxable year.

"(4) Restricted retirement policy: The term 'restricted retirement policy' means any policy (including a predecessor policy) with respect to which the self-employed individual has been allowed a deduction under section 217 for any taxable year."

(b) Technical amendments.—

(1) Section 72 (m) of the Internal Revenue Code of 1954 (relating to cross references) is amended to read as follows:

"(m) Cross references.—

"(1) For special rules relating to amounts received under restricted retirement policies, see section 78.

"(2) For limitations on adjustments to basis of annuity contracts sold, see section 1021."

(2) Section 316 (b) (1) of the Internal Revenue Code of 1954 (relating to definition of dividends) is amended by adding at the end thereof the following new sentence: "The definition in subsection (a) shall not apply to the term 'dividend' as used in section 78 (relating to amounts received under restricted retirement funds and policies) or in section 217 (relating to deduction for retirement deposits)."

(c) Clerical amendment: The table of sections for part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"SEC. 78. Amounts received from restricted retirement funds or policies."

SEC. 4. Restricted retirement funds.

(a) Definition: Part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by adding at the end thereof the following new section:

"SEC. 405. Restricted retirement funds.

"(a) In general: For purposes of this chapter and section 6047, the term 'restricted retirement fund' means a trust established under a retirement plan for one or more self-employed individuals.

"(b) Retirement plan: For purposes of subsection (a), the term 'retirement plan' means a trust instrument for the exclusive benefit of the participating individual or individuals who are members of the plan, for the purpose of investing and reinvesting, and of distributing to the respective members of the plan, or to their estates or other beneficiaries, the corpus and income of the trust.

"(c) Requirements for retirement plan: A plan described in subsection (b) shall be treated as a retirement plan only if the requirements of paragraphs (1), (2), and (3) of this subsection are met:

"(1) Trustee must be bank: The trustee is a bank (as defined in section 581).

"(2) Terms of trust: Under the trust instrument—

"(A) Interest nonassignable: A member may not assign (or agree to assign) any portion of his interest in the fund, but he may—

"(i) designate one or more beneficiaries in the event of his death, or

"(ii) direct the trustee to transfer his entire interest to another restricted retirement fund designated by such member.

"(B) Termination of trust, etc.—

"(i) Before the member attains age 70, his entire interest in the trust will be distributed or applied to the purchase of an annuity described in subparagraph (B), (C), or (D) of section 217 (f) (2) which does not provide life insurance protection, and which is immediately distributed to the member, or he will have elected to have his entire interest in the trust distributed before he attains age 80 (with not less than 10 percent of the value of such interest, determined at age 70, being distributed in each taxable year beginning with the taxable year in which he attains age 70).

"(ii) If the member dies before he attains age 70, his entire interest in the trust will, within 5 years after the date of his death, be distributed, or applied to the purchase of an immediate annuity for his surviving spouse which will be payable for her life (or for a term certain not extending beyond her life expectancy) and which will be immediately distributed to such spouse.

"(C) Interests to be proportionate: If the trust has more than one member, the interest of each member shall be proportionate to the money he has paid in (or his interest which has been transferred thereto in accordance with subparagraph (A) (ii)), and to the income and other adjustments properly attributable thereto.

"(D) Return of excess contributions: The trustee is required to distribute promptly to the member, any amount paid in by him for any taxable year in excess of the amount deductible by such member for such year under section 217, together with all income attributable to such excess.

"(3) Permissible investments: Under the trust instrument, the trustee may not invest or reinvest the corpus or income of the trust other than in—

"(A) (i) stock or securities listed on a securities exchange which is registered with the Securities and Exchange Commission as a national securities exchange (not including stock and securities in a corporation if, immediately after the acquisition thereof, the aggregate ownership of voting stock in such corporation by the trust and by its members (including ownership attributed to such members under section 318) is more than 10 percent of such voting stock), (ii) bonds or other evidences of indebtedness issued by the United States, any State or Territory, or the District of Columbia, or any political subdivision or instrumentality of any of the foregoing, and (iii) stock in a regulated investment company meeting the requirements of section 851; and

"(B) the purchase, for the account in the plan of a member thereof, of an annuity on the life of such member (or a face-amount certificate which meets the requirements of section 217 (h)) which provides only restricted retirement benefits (within the meaning of section 217 (f) (2)).

"(d) Requirements for exemption from tax:

"(1) In general: A restricted retirement fund which has engaged in a prohibited transaction shall not be exempt from taxation under section 501 (a).

"(2) Taxable years affected: Paragraph (1) shall apply only for taxable years after the taxable year during which the fund is notified by the Secretary or his delegate that it has engaged in a prohibited transaction; except that if the trustee knowingly engaged in a prohibited transaction, paragraph (1) shall apply with respect to the accounts in the fund of the member or members in respect of whom such transaction occurred for the taxable year in which such transaction occurred and all taxable years thereafter.

"(3) Prohibited transaction defined: For purposes of this subsection, the term 'prohibited transaction' means any transaction in which the trustee—

"(A) lends any part of the corpus or income of the fund to;

"(B) pays any compensation for personal services rendered to the fund to;

"(C) makes any part of its services available on a preferential basis to; or

"(D) acquires for the fund any stock, securities, or evidences of indebtedness from, or sells any stock, securities, or evidences of indebtedness of the fund to, any person described in section 503 (c) (for this purpose treating each member of the plan as the grantor of the trust). The term also includes any transaction pursuant to which the fund ceases to meet any requirement of subsection (c) of this section, and any failure to comply with any provision of the trust instrument required by such subsection.

"(4) Cross references.—

"(A) For tax consequences to members involved in a prohibited transaction, see section 78 (a) (3).

"(B) For tax-free transfer of interests to other restricted retirement funds of members not involved in the prohibited transaction, see subsection (c) (2) (A) (ii).

"(e) Other trust rules inapplicable: The provisions of part I of subchapter J (sec. 641 and following, relating to estates, trusts, and beneficiaries) shall not apply with respect to restricted retirement funds, so long as they are exempt from tax under section 501 (a)."

(b) Exemption from taxation: Section 501 (a) of the Internal Revenue Code of 1954 (relating to exemption from tax of certain organizations) is amended by adding at the end thereof the following new sentence: "A restricted retirement fund (as defined in sec. 405) shall be exempt from tax under this subtitle except to the extent such exemption is denied under section 405 (d)."

(c) Clerical amendment: The table of sections for part I of subchapter D of chapter 1 of such code is amended by adding at the end thereof the following new item:

"SEC. 405. Restricted retirement funds."

SEC. 5. Technical amendments.

(a) Retirement income credit: Section 37 (c) of the Internal Revenue Code of 1954 (relating to definition of retirement income) is amended by adding at the end thereof the following new sentence: "Such term does not include any amount received from a restricted retirement fund (as defined in sec. 405) or under a restricted retirement policy (as defined in sec. 217 (f))."

(b) Treatment of amounts received by spouse or other beneficiary under a restricted retirement fund or restricted retirement policy: Section 691 of the Internal Revenue Code of 1954 (relating to recipients of income in respect of decedents) is amended by relettering subsection (e) as subsection (f), and by inserting after subsection (d) the following new subsection:

"(e) Amounts received by beneficiary of a participant in restricted retirement fund, etc: For purposes of this section, amounts received after the death of the member of a restricted retirement fund (as defined in sec. 405), or after the death of the insured under a restricted retirement policy (as defined in sec. 217 (f)), from such fund or under such policy shall, to the extent included in gross income under section 78, be considered as amounts included in gross income under subsection (a)."

(c) Information requirements.—

(1) In general: Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning transactions with other per-

sons) is amended by adding at the end thereof the following new section:

"SEC. 6047. Information relating to restricted retirement funds and policies.

"(a) Banks and insurance companies: Every bank which is a trustee of a restricted retirement fund (as defined in section 405), and every insurance company which is the issuer of a policy which is a restricted retirement policy (as defined in section 217 (f)), shall file such returns (in such form and at such times), keep such records, make such identification of policies and funds (and accounts within such funds), and supply such information, as the Secretary or his delegate shall by forms or regulations prescribe.

"(b) Self-employed individuals: Every individual who—

"(1) is a member of a restricted retirement fund (as defined in section 405), or

"(2) is the insured under a restricted retirement policy (as defined in section 217 (f)),

shall furnish the bank or insurance company such information, at such times and in such form and manner, as the Secretary or his delegate shall by forms or regulations prescribe.

"(c) Cross reference:

"For criminal penalty for furnishing fraudulent information, see section 7207."

(2) Clerical amendment: The table of sections for such subpart B is amended by adding at the end thereof the following:

"SEC. 6047. Information relating to restricted retirement funds and policies.

(3) Penalty: Section 7207 of the Internal Revenue Code of 1954 (relating to fraudulent returns, statements, or other documents) is amended by adding at the end thereof the following new sentence: "Any person required pursuant to section 6047 (b) to furnish any information to any bank or insurance company who willfully furnishes any information known by him to be fraudulent or to be false as to any material matter shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

SEC. 6. Taxable years to which applicable.

The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1958.

The SPEAKER. Is a second demanded?

Mr. REED. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. KEOGH. Mr. Speaker, I yield myself such time as I may consume, and ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. KEOGH. Mr. Speaker, this amendment is the culmination of many years of hard work by and on behalf of an imposing and respectable list of national, State, and local professional parties and organizations of businessmen.

It has been made possible, Mr. Speaker, by your gracious cooperation and that of the majority and minority leaders of the House, but those of us who have been privileged over the years, Mr. Speaker, to work with and under you are not surprised that you do as you say you will, for that is your record.

It has also been, Mr. Speaker, a movement that we have always undertaken and attempted to maintain on a high bipartisan plane. That is evidenced by the fact that the original cosponsor of the pending measure was the very distinguished, and my senior colleague from New York [Mr. REED] who in 1951 cosponsored this bill with me. On the convening of the 83d Congress, and his assuming the onerous burdens of chairman of the Committee on Ways and Means, understandably and agreeably, he waived his right to cosponsor it and thereafter I was joined in the sponsorship of this measure by the second ranking minority member of the Committee on Ways and Means, the very able and distinguished gentleman from Ohio [Mr. JENKINS].

Mr. Speaker, it is with considerable regret that I note today the necessary absence of our colleague, for over the years that he and I have been working on this measure, he has been a constant and increasing source of comfort, guidance, and inspiration. I know we could send out to him today no better and no more well received message than that this measure will have received the necessary approval of this body.

Mr. Speaker, this moment too is made possible by the capable chairman of the Committee on Ways and Means by whose graciousness we were afforded an opportunity fully to be heard in the committee and thus to report the bill to the House for its action. I must say, too, Mr. Speaker, that I have always been aided by the sympathetic understanding, and on occasions the most patient assistance of all my colleagues on the Committee on Ways and Means who all frequently had to display a great degree of self control when the interested citizenry of the country were registering their views with respect to the pending bill. I would be most remiss, Mr. Speaker, if I were not to pause to pay genuine tribute to Leo Irwin, the clerk, and the staff of the Committee on Ways and Means, to Colin Stam, the chief of staff, and the staff of the Joint Committee on Internal Revenue Taxation, to David Lindsey, the assistant to the Secretary, and the staff of the Treasury Department, and last but by no means least, the very capable members of the staff of the legislative counsel (Edward Craft and Ward Hussey), by whose joint efforts this bill comes before you today in what is generally conceded to be the best form it has been in. Mr. Speaker, I am indebted too to approximately 25 Members of the House who have sponsored the same or similar legislation, and to those countless other Members of this body who over the years have given me their words of encouragement and advice.

Mr. Speaker, this bill actually does what it says it does. It provides a system for the creation of voluntary, restricted retirement plans by the self-employed of the country. It is voluntary, Mr. Speaker, in the typical, basic, and historical American way in that no one—no one eligible to participate under the provisions of the bill is under any form of compulsion so to do.

Present law grants substantial tax benefits to employees who are covered by qualified pension, profit-sharing, and stock bonus plans of an employer. The employer contribution to these plans is not taxed to the employee until the employee draws down his retirement benefits. Generally, self-employed individuals, be they proprietors or partners, are excluded from participation in such plans. The bill H. R. 10, by removing a tax disadvantage for proprietors and partners, is a significant measure for the relief of the small-business man.

I will summarize the bill very briefly. It applies to persons who are subject to the tax on self-employment income plus doctors and ministers. Under the bill, these individuals would be permitted to deduct up to 10 percent of their earnings from self employment, but not over $2,500 a year, for amounts paid into restricted retirement insurance policies or restricted retirement trust funds. Persons over 50 on January 1, 1959, are permitted higher annual deductions.

There is a lifetime ceiling of deductions of $50,000 per taxpayer, but this is reduced in the case of individuals who have previously withdrawn employer contributions under a qualified pension plan or who have received nonforfeitable rights to such employer contributions.

Generally speaking, the deduction under a restricted retirement insurance policy is only for that part of the premium which goes to provide a retirement annuity or endowment for the self-employed individual and his spouse. If the retirement investment is made in a restricted retirement trust fund, the investment program of the fund is limited and the self-employed individual must begin withdrawal of his interest in the fund before he reaches age 70, and complete it by 80.

The bill contains a number of rules relating to the taxation of these retirement investments when they are withdrawn by the self-employed individual. Generally speaking, these rules are designed to insure the taxation of these amounts whether they are withdrawn by the individual in his retirement years or whether they are received by his beneficiaries. Certain penalty provisions are provided for withdrawal before the individual reaches age 65; and after age 65 certain provisions are included to provide that the taxation of these amounts will not be thwarted by other deductions of the taxpayer.

The bill contains a number of reporting requirements designed to insure strict enforcement of the various limitations on these retirement programs.

I believe there is only one issue in connection with the bill that requires specific attention at this time. The Treasury has admitted that there is an equitable case for this type of legislation. They have argued, however, that in view of the prospective deficit for the fiscal year 1959 this is not the time to pass a meritorious tax relief measure that will involve an alleged revenue loss of $365 million.

In the first place, this legislation will have very little effect on the Federal revenue in the fiscal year ending June 30, 1959. The bill will only apply to retirement investments made after December 31, 1958. Final tax returns using this deduction will not even be made by June 30, 1959. Some self-em-

ployed individuals may take account of this deduction in their estimated tax-payments in April and June of 1959. As you well know, an estimated tax is a very roughly calculated affair, and it is clear that the bill will have very little effect on these estimates. The fiscal year 1959 is, however, the year in which there is reason to expect a substantial Federal deficit attributable to the recent recession.

But let us look beyond the fiscal year 1959 to the fiscal year 1960 when tax receipts will show the effect of the first full year of operation of this bill. The full year revenue loss estimated by the Treasury, $365 million, assumes that nearly half of the maximum deduction that the self-employed could take on the basis of their income will, in fact, be taken. The fact is, however, that for most individuals this will be a new form of savings. Individuals will not be able to take advantage of the bill until insurance companies make available insurance policies that meet the specific requirements of the bill and until banks are in a position to establish trust funds meeting the specific requirements of the bill. Neither the banks nor the insurance companies will be able to take effective steps until the Treasury issues detailed regulations under the legislation indicating precisely the responsibility of the banks and the insurance companies. You gentlemen are well aware of legislative areas in the past in which it has taken the Treasury several years to promulgate final regulations.

Once the insurance companies and the banks are able to set up satisfactory retirement programs, a considerable advertising program will be necessary to make these programs attractive to individual investors. While there is a considerable tax advantage when the self-employed individual puts funds into these retirement plans, the tax is imposed when the funds come out, and the individual investor will have to give considerable thought to the question of precisely how this net advantage will work out in his particular case. He will also have to weigh this against using the funds in his own business, or in other savings programs.

I personally attach great weight to the testimony of Prof. Roger F. Murray, associate dean and adjunct professor of finance of the Graduate School of Business of Columbia University, who testified before the Ways and Means Committee that the first full year revenue loss under this legislation might well be under $100 million. He based this estimate on the experience of the typically slow growth of new types of savings.

Very considerable weight is given to the testimony of Professor Murray by the experience in Canada, where recently legislation was adopted providing the same sort of opportunity for deductions for retirement savings by the self-employed as would be provided under H. R. 10. Actually, the Canadian bill is somewhat broader in that it permitted a deduction for employees who made investments to supplement employer contributions to a qualified pension plan. The first-year revenue loss under this bill in Canada was $7 million. The level of personal income in the United States is about 15 times that of Canada. If we raise the Canadian revenue loss 15 times, making no deduction for the broader coverage of the Canadian bill, we would attain a first-year revenue loss of the United States in the neighborhood of $100 million. To round out this lesson from the Canadian experience, it is interesting that their $7-million first-year revenue loss followed an official estimate that the loss would be $40 million.

I should like to call to the attention of the House that the new draft of the bill in section 4 eliminates custodian accounts from the types of permissible retirement funds, and requires the use of a fixed bank trust.

This is very surprising because when Secretary Humphreys and Laurens Williams appeared at the Ways and Means hearings of June 27, 1955, the official Treasury position was stated to be—page 11, hearings:

2. ALLOWABLE INVESTMENTS

In general, we believe that it would be desirable to permit investment of the savings eligible for the exclusions in a fairly brand range of investment. Special issues of United States savings bonds could be offered in forms appropriate for the accumulation of retirement funds. Special custodian accounts or segregated funds in banks or investment companies also could be authorized.

Prohibition against use of custody accounts will place a substantial handicap on the use of United States Government securities and shares of regulated investment trusts as an investment medium for retirement funds.

The charges of a bank are substantially greater when it acts as trustee than when it acts only as a custodian. Most of the retirement funds to be established under the proposed statute, particularly in the early years following their creation, would be of relatively small size, and the differential in the charges of the bank, depending upon whether it acted as trustee or as custodian, would be especially significant in such cases.

United States Government securities and shares of publicly held investment companies would be particularly appropriate forms of investments for retirement trusts of relatively small size. Government securities are obviously a desirable investment for retirement funds. So also in appropriate cases are the securities of publicly held investment companies, which are subject to regulation by the Securities and Exchange Commission, and which furnish to investors of moderate means an opportunity for diversification of risk and expert management advice.

If under the terms of the trust agreement the trust funds must be invested in United States Government securities or in the shares of publicly-held investment companies, the objectives of the statute would be fully attained by a requirement that a bank act as custodian only. The custody agreement with the bank would provide, under regulations of the Treasury Department, that the bank could not deliver over any part of the trust assets to the taxpayer except in accordance with the strict terms of the statute.

Provision for this could be made by adding after line 3 on page 25 the following:

(D) The requirement that the trustee be a bank (as so defined) shall not be applicable to any trust indenture which authorizes and directs the trustee or trustees (a) to invest and reinvest the assets of the trust solely in obligations of the Government of the United States and/or in shares of investment trusts or companies registered under the Federal Investment Company Act of 1940 as from time to time amended and (b) to place and maintain the assets of the trust in the custody of a bank (as so defined), under such rules and regulations as may from time to time be prescribed for the protection of the participating individuals by the Secretary.

Mr. Speaker, the following is a telegram I have received from Mr. George J. Burger, vice president of the National Federation of Independent Business:

WASHINGTON, D. C., *July 28, 1958.*

Hon. EUGENE KEOGH,
House Office Building:

During the last 3 years we have repeatedly presented to our nationwide membership through our publication, the Mandate, the proposition embodied in the Jenkins-Keogh bill as to tax help for self-employed persons. In presenting the proposition to our nationwide membership, the arguments for and against were outlined to the members. The Federation holds to a neutral opinion and the members must decide for or against. Each and every national poll reaches in excess of 100,000, all individual voting members. Their votes are returned direct to the Members of Congress from their respective States. The first poll was made through Mandate Bulletin 214 and the results given in Mandate 215 were 76 percent for, 20 percent against, and 48 percent no vote. The same subject was polled in Mandate Bulletin 223 and results of that poll in Mandate 224 disclosed 61 percent for, 34 percent against, and 5 percent no vote.

The membership was again polled in Mandate Bulletin 227 and the results of that poll in Mandate 228 disclosed 76 percent for, 19 percent against, and 5 percent no vote.

Carrying out the official vote of our nationwide membership, we urge that Congress vote the bill giving this needed tax relief to self-employed persons. These views, coming from the grassroots, should be significant and important as many in the small-business structure are self-employed and this relief is due them.

GEORGE J. BURGER,
Vice President, National Federation of Independent Business.

The Treasury estimates that there are in this country over 7 million self-employed, approximately 5 million of whom pay income taxes. It seems to me that these self-employed, exhibiting and displaying as they do the kind of courage, fortitude, and foresight that have gone to make this country as great as we think and know it is, should be given consideration, especially when they are the bearers of the greatest burden under our graduated rates of income tax.

So, Mr. Speaker, seeming not to be and wanting not to be impatient, I say to you, and I say to the House, that the time to correct and include, the time to extend to a large and responsible and responsive group of American citizens the right and the opportunity to provide for themselves in their superannuation is now, and it is never untimely.

and it is never too late. I trust, therefore, Mr. Speaker, that shortly in this body and from this body will go out to this group of decent, honest, hard-working professional men and business men and women of this country the message that they no longer will remain and be the people who have been forgotten by us.

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

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

Mr. MACHROWICZ. Mr. Speaker, I have supported this bill in committee and support it here on the floor today. I, too, wish to congratulate the gentleman from New York for his long and untiring efforts in behalf of this legislation. I think the membership and those outside the Halls of Congress should know that the gentleman from New York has put in much time and effort to have this legislation enacted, and that it will correct a discrimination and inequity that was never intended by the Congress.

Mr. KEOGH. My colleague is, of course, typically gracious and most generous. I am sorry I cannot say he is really sticking as close to the facts as he usually does.

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

Mr. KEOGH. I yield.

Mr. WAINWRIGHT. I would like to be typically gracious, too, and commend the gentleman from New York for his untiring efforts over a period of many years in behalf of very much needed legislation, to support and contribute to that and to urge its passage by the membership.

Mr. KEOGH. The encouragement that comes to me whenever I find myself in agreement with the "Guardian of Wainscot" is always well received by me.

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

Mr. KEOGH. I yield.

Mr. HEMPHILL. Mr. Speaker, I want to associate myself with the remarks of the distinguished gentleman from New York in support of this bill for the business and professional people. Many of my constituents have written to me about this legislation, which is popularly known as the Jenkins-Keogh bill.

The gentleman from New York, author of this bill, is to be commended and acclaimed for his work, as evidenced by the bill and report before the House of Representatives today. I know that the business and professional people all over this land will be grateful to him, and, in behalf of my constituents of the Fifth South Carolina District who want and need this legislation, I thank him. I hope the bill passes and receives quick consideration by the Senate.

During the 1957 session of Congress I had much correspondence about this legislation. As a result, I went to the gentleman from New York and told him then of my support of his excellent idea. He was, as always, most gracious and courteous, and suggested that I introduce a companion bill to show my support. As a result, on June 3, 1957, I introduced H. R. 7874, identical to the original H. R. 10. Subsequently, at various intervals, I went to the chairman of the Ways and Means Committee and asked about the progress of the bill.

I congratulate the Ways and Means Committee on its action in reporting this legislation out of committee for debate.

This bill gives hope, help, relief, and encouragement to the small, independent businessman and professional man. Many of my friends in business have complained that big outfits have deductible pension plans, but the small-business man had no allowance for deduction. This gives the small-business man that deduction.

The self-employed businessman, having a small organization, has his hands full. He is burdened with taxes of every kind, and spends many long hours doing paperwork for the Government. He has all the responsibility of leadership in his business, as well as the burden of terrific competition. This legislation seeks to give him a chance at a pension plan.

The professional man, such as the doctor, accountant, engineer, consultant, lawyer, and clergyman will also benefit. Each professional man, as each businessman, contributes daily to the life of his community. Unless he is employed by some company, he cannot have a self-propelled deductible pension plan of his own. This legislation gives him the same opportunity as the professional man on the payroll of another. It gives him a measure of tax relief.

Aside from the tax relief and encouragement, we must recognize that this will encourage saving, and will generate capital for new investment. Our form of Government, our standard of living, our way of life—are each and all dependent on constant investment and reinvestment of capital to provide expansion, new plants, promote new ideas, and provide lending capital to promote new jobs. In one chain of plants in my district, the employees are allowed to buy stock. What opportunity.

The provisions of the bill make the participation voluntary. No one is forced into it. No Government funds are involved. No new administration is created, and no new or old bureaucracy encouraged. We are just saying to the man who runs his own business: "You deserve the same consideration of those who work for someone else, and Congress is going to try to give it to you."

The average businessman today actually works 7 to 9 days a month for Uncle Sam. I say this because all of us are aware of the heavy taxes we have. I had hopes for and urged tax relief this year, but the leaders of the parties vetoed the idea. This measure is in the right direction and I hope and pray that next year we can enact a real tax relief bill across the board.

I believe the American people would be in favor of this bill which helps the small-business man and professional man. I hope the legislation will pass.

Mr. KEOGH. The gentleman has been most cooperative.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, in behalf of the Ohio Congressional delegation I want to express our thanks for the tribute the gentleman has paid to the dean of our delegation, the gentleman from Ohio [Mr. JENKINS]. He is the coauthor of this legislation, or, rather, introduced similar legislation that we worked on in conjunction with the gentleman from New York [Mr. KEOGH].

It is to be regretted that the gentleman from Ohio [Mr. JENKINS] cannot be here today to participate in this debate. I know the membership of the House realizes and appreciates the work that has been done by both these gentlemen and I know further that the gentleman from Ohio will be very happy and greatly pleased when he learns of the action which I hope we are about to take today. I feel that the legislation is entitled to the favorable consideration of this body.

Mr. KEOGH. I will say to the gentleman from Ohio that our distinguished colleague, the dean of your delegation, received at my inadequate hands no more than he justly deserves, for there were times when he and I were kind of alone. It was good to have him hold my hand and I hope he thought it was nice for me to be with him.

Mr. BROWN of Ohio. Both of you are to be congratulated.

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

Mr. KEOGH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Speaker, I want to associate myself with the views just expressed by the distinguished gentleman from New York in support of the Jenkins-Keogh bill.

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

Mr. KEOGH. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Speaker, I want to commend the gentleman for his able work on this bill and join, also, with those who have paid tribute to the beloved dean of the Ohio delegation [Mr. JENKINS]. His genial, clear, informal way of presenting things is missed here today, although I am sure the gentleman from New York has ably described this legislation, and as he retires he can feel a just pride in sharing with the gentleman from New York the sponsoring of this legislation.

Mr. KEOGH. I thank the gentleman.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. Mr. Speaker, I want to compliment the gentleman from New York for the fine sustained courage he has exhibited in pressing this measure for a number of years. I associated myself with his philosophy when I first came to Congress, and I have many constituents who are very proud of the fine job he has done. I am glad to see the bill come to the floor for early action.

Mr. DOOLEY. Mr. Speaker will the gentleman yield?

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

Mr. DOOLEY. Mr. Speaker, I wish to associate myself with the remarks of the distinguished gentleman from New York and commend him for his work and efforts in bringing this bill to the floor of the House. The bill affects favorably a segment of our population which has been very seriously neglected over the years.

Hundreds of thousands, even millions, of corporate employees enjoy the benefits of retirement plans at very low cost to themselves and their employers. Self-employed people, however, until now, have not had this advantage.

The provisions of the Jenkins-Keogh bill will make it possible for a doctor or lawyer, or other self-employed persons, to enjoy a tax exemption on contributions of as much as $2,500 per year—maximum—to a retirement fund. The fund can attain a cumulative figure of $50,000, which is the specified limit.

The period of earning of many professional men is reached only after a long period of study and apprenticeship, and it is maintained only over a relatively short span of time before physical debility requires a cessation of professional activity.

A doctor studies for years after a normal college course, serves an internship, and then slowly and arduously builds his practice. A lawyer has a similar period of financial growth. It seems only just to the Representative from New York that, during the lucrative years of a man's earning period, he should be entitled to set aside funds for the future.

While it is true that self-employed individuals today are included in those benefiting through social security, there is need for additional annuity revenue if they are to maintain a standard of living comparable to that to which they are accustomed.

I thought so highly of the bill introduced by the distinguished gentleman from New York [Mr. KEOGH] and the gentleman from Ohio [Mr. JENKINS] that I introduced a corresponding measure some months ago.

It is a source of great satisfaction to the gentleman from New York to see this measure successfully brought before the House for consideration and to see it past that body.

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

Mr. KEOGH. I yield to the gentleman from California.

Mr. HOLIFIELD. I would like to direct some questions to the gentleman. Is this for the benefit of professional people who are not recipients of social security?

Mr. KEOGH. No.

Mr. HOLIFIELD. They will be allowed to contribute to a retirement fund?

Mr. KEOGH. That is the purpose of the bill, but, actually, the bulk of the self-employed has been embraced in social security under the amendments of 1954 and 1956.

Mr. HOLIFIELD. Why do not these same people, then, who are made eligible under this bill, avail themselves of that privilege?

Mr. KEOGH. They have, and they are compelled to by law, but the upward of 40,000 employer-employee private qualified plans in this country are also in addition to social security.

The SPEAKER pro tempore (Mr. BOLLING). The time of the gentleman from New York has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. LIBONATI] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. LIBONATI. Mr. Speaker, the passage of H. R. 10 to encourage the establishment of voluntary pension plans by self-employed individuals, will improve the economy in a field that has suffered much from the exploration of tax legislation without any regard to the self-security of its individual needs.

It will further achieve a level of tax treatment between the self-employed and employees. Congressmen KEOGH and JENKINS especially are to be complimented for their untiring efforts over the years to perfect this legislation for its acceptance and approval. The leadership of both parties as well as the sponsors of similar legislation have given their whole-hearted support toward its passage. The Committee on Ways and Means, after many hearings, modeled this bill to serve the wholesome purpose intended.

Small business will welcome this legislation as a wonderful contribution to security of its members in the years of their retirement.

No doubt this law will be a forerunner of other legislation to protect and benefit the numerous citizens engaged in a field of endeavor that is in need of economic stability and in dire need of tax relief.

We of the Congress are anxious to note the effectiveness of this legislation in its ensuing operation in 1959, if enacted by the Senate. The long delay in remedial legislation in this field, together with the thorough analysis of every one of its provisions by the Committee on Ways and Means should result in immediate passage by the Senate.

Mr. REED. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it is my purpose in addressing this distinguished body today to speak in support of the legislation, H. R. 10, designed to encourage the establishment of voluntary pension plans by self-employed individuals.

I will not undertake to speak at length on this legislation nor will I endeavor to describe the substantive provisions of the proposal. The distinguished gentleman from New York [Mr. KEOGH] who was one of the authors of the bill, has already ably described its provisions to the membership of the House.

I would like to direct my remarks in paying tribute to the authors of the Jenkins-Keogh bill, the gentleman from Ohio and the gentleman from New York. My close personal friend and distinguished colleague the gentleman from Ohio [Mr. JENKINS] has properly maintained a strong conviction that his bill, H. R. 9, had a meritorious purpose and was directed toward the achievement of tax equity. TOM JENKINS has always had great faith in the type of American citizen who would be benefited under this bill—the farmer, the lawyer, the doctor, the self-employed business and professional man. As a distinguished and successful attorney in his own State of Ohio, TOM JENKINS has known the important contribution such individuals make to the well-being of their fellow citizens. It is perhaps for that reason that he was so impatient with the tax discrimination that present law contains against such individuals. I sincerely regret that circumstances preclude my esteemed friend from Ohio from being with us on the occasion of the consideration of this bill. It is my hope he will be able to return to us before the adjournment of this session of the 85th Congress.

Great credit for the progress this legislation has made must also go to my distinguished colleague, the gentleman from New York [Mr. KEOGH]. I have been privileged to observe the great progress that Mr. KEOGH has made as an able and esteemed member of the Committee on Ways and Means. I would remind the House, needlessly perhaps, that GENE KEOGH has become one of our best informed and most able Members in the House of Representatives. He has addressed himself to his committee responsibilities with diligence, knowledge, integrity, and patriotism, and he is to be commended for presenting this legislation to the House today.

In the 82d Congress it was my privilege to join with the gentleman from New York [Mr. KEOGH] in sponsoring legislation similar in purpose to the legislation that is before us today. I supported the legislation at that time because the law then, as it does now, contains an unjustifiable and unwarranted discrimination against self-employed people with respect to their endeavors to provide for their retirement security. The intended beneficiaries of this legislation have been waiting patiently since the close of World War II enduring the discrimination against them—waiting for the time that it would be fiscally feasible to accord them the revised tax treatment to which they are entitled. From the standpoint of budgetary considerations and from the standpoint of revenue loss, the favorable consideration of H. R. 10 cannot be justified today.

I do believe, however, that it can be justified from the standpoint of the human considerations and from the standpoint of tax equity. I submit to the membership of the House that the cost of enduring this tax inequity falls on a limited number of Americans who like all of us are already subjected to exorbitant tax rates I also submit that if budgetary considerations say that we cannot afford to lose the $300 million that it is estimated will be lost under the bill then such tax revenues should be raised from other sources, or better yet—we might reduce our Federal spending by that amount.

It is with pleasure and earnest conviction that I urge my colleagues in the House to support the passage of H. R. 10.

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

Mr. REED. I yield to my colleague from New York.

Mr. RIEHLMAN. Mr. Speaker, I should like to commend the gentleman from New York, my colleague [Mr. REED], for his untiring efforts in behalf of this legislation, which he joined with my colleague from New York [Mr. KEOGH], in introducing in the 82d Congress. I think it is a worthy bill and I hope the House will see fit to pass it today.

Mr. REED. I thank the gentleman from New York.

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

Mr. REED. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, I want to compliment the two distinguished gentlemen from New York, [Mr. REED, and Mr. KEOGH], as well as the gentleman from Ohio [Mr. JENKINS] for the leadership and the persistence they have exhibited in introducing, in perfecting and in bringing this bill to the House today for a vote. It is wholly in accord with one of the best traditions of America, and one of the best and most characteristic qualities of Americans, namely, the habit of doing all we can to take care of ourselves. It gives again to self-employed persons the right and the incentive to build up funds for their retirement years. They can participate in Government or private group programs, where eligible; but in addition a man under this bill will have the opportunity without being penalized to build retirement reserves for his own future and his family's.

This is good legislation and I am grateful that at last it has come to the point when we can vote for it.

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

Mr. REED. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Speaker, I rise in support of H. R. 10, the so-called Jenkins-Keogh bill which is legislation to encourage establishment of voluntary pension plans by self-employed individuals. I am informed there are about 7 million such persons who are presently discriminated against under the law from receiving equal tax treatment with regard to retirement savings as against the tax exemptions available to employees under a qualified plan. This bill will permit ministers, doctors, or certain professional self-employed persons to become eligible for the tax deductions under retirement savings plans.

For a long time, Mr. Speaker, I have favored elimination of the discrimination against those self-employed who wish to provide for their future retirement in old age. Certainly today the sponsors of H. R. 10 and those responsible for it being considered here on the floor are to be congratulated. I rejoice that their diligent efforts are rewarded and that at long last their persistence is paying off.

I shall vote for the Jenkins-Keogh bill and urge its passage today under suspension of the rules. Since time is of the essence and with the adjournment of Congress coming closer every day, unless this bill passes without a rule and without such a delay, its enactment into law this year will be endangered.

Mr. ROBISON of New York. Mr. Speaker, will the gentleman yield?

Mr. REED. I yield to my colleague from New York.

Mr. ROBISON of New York. Mr. Speaker, I should like to associate myself with the remarks made by my senior colleague, the gentleman from New York [Mr. REED], for whom I have great admiration. I think this is desirable legislation, and I hope it will pass.

Mr. Speaker, for a number of years prior to my recent election to the Congress I have, as a self-employed attorney, been interested in the problems facing all self-employed professional persons, farmers and small-business men desiring to build up a voluntary retirement program for themselves. Difficult as such an effort is, in an era of ever-rising living costs, it becomes especially onerous when one realizes that an unfair tax advantage presently exists in favor of the employee of a business enterprise that provides him with the increasingly popular benefits inherent in the various types of pension, profit sharing, and stock option or bonus plans.

As our tax laws now provide, such an employee is allowed to postpone his tax liability on moneys paid not directly to him, but paid instead into such a qualified retirement plan for his future benefit. This inequity is a result which, I am sure, the Congress never intended and which now should be corrected even though there may be an anticipated tax revenue loss of approximately $360 million resulting from the adoption of this bill, H. R. 10. To say that we cannot afford to correct such an inequity would constitute a sad commentary on our legislative processes.

The loss in revenues anticipated by adoption of H. R. 10 can and should be offset by economies made elsewhere in our monstrous Federal spending machine. What more concerns me is the fact that this bill is just another patch on the tattered tax-work quilt we are inflicting on the American taxpayer. It is little wonder that such a Jerry-built mish-mash distributes the tax burden inequitably and unwisely. So, while I support this bill because it will remove at least one inequity, what we really need, Mr. Speaker, is not more tinkering with taxes but a complete review and reexamination of our entire tax structure and its reform into some reasonable shape. If that could be accomplished, I feel sure the Government would find itself gaining more revenue from rates less burdensome, and paid by a much more contented group of taxpayers than we now face.

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

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

Mr. BELCHER. Mr. Speaker, I want to congratulate the gentleman from New York [Mr. REED] on a very fine statement. Also I would like to congratulate the authors of this bill, and on behalf of the professional and self-employed people of my District I should like to express our appreciation to the committee and to the leadership for bringing this bill to the floor. I think it is a good bill and I hope it will pass unanimously.

Mr. REED. I thank the gentleman from Oklahoma.

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

Mr. REED. I yield to the gentleman from California.

Mr. McDONOUGH. Mr. Speaker, I want to associate myself with the gentleman from New York in his remarks. I have had many, many appeals from my District in behalf of this legislation. I want to congratulate the dean of the Republicans of the House for bringing this bill to the floor today for action so that we can give these people the benefits it provides; they have been asking for it for so many years. I fully agree with the Ways and Means Committee and the gentleman from New York [Mr. KEOGH], who submitted the report accompanying this bill, H. R. 10, in the following reason for the bill:

II. REASON FOR THE BILL

This bill is intended to achieve greater equality of tax treatment between self-employed individuals and employees. Under present law the employees of a business can achieve this postponement of tax on retirement income savings if the employer pays into a qualified pension, profit-sharing, or stock-bonus plan what he might otherwise have paid directly to the employees. These amounts can be placed in a tax-exempt pension trust or they can be paid as premiums on an annuity policy with a life insurance company. In either case the business firm gets immediate deductions for amounts contributed to the plan and the employee is not taxable until he draws down his benefits under the plan. An employee is permitted to defer tax in this manner even though he may have a nonforfeitable right to the employer contribution under the plan.

This tax deferment for an employee's interest in a pension, profit-sharing, or stock-bonus plan has two important advantages. In the first place, it permits the employee to have a larger initial investment in retirement savings upon which more investment earnings may accumulate. In addition, most employees will be in lower tax brackets after retirement than they are during their productive years. The tax deferment under a qualified plan permits some income from the years in which an employee is likely to be subject to higher surtax rates to be taxed in the retirement years when he may be subject to much lower rates or even have unused personal exemptions.

The committee believes that it is unreasonable that self-employed persons should be precluded by law from obtaining equivalent tax treatment with respect to retirement savings to that available to employees under a qualified plan. Under present law the employer-proprietor and an employer-partner are precluded, except in very special circumstances, from participating in a qualified plan even though they may establish such a plan for their employees.

The bill will be effective for taxable years beginning in 1959. The total revenue loss from this bill in the first full year of operation is expected to be approximately $360 million. A considerably smaller revenue loss from the bill will be realized in fiscal year 1959.

I congratulate the gentleman from New York [Mr. KEOGH] for his successful fight for this bill, which has extended over many years.

Mr. REED. I thank the gentleman from California very much.

Mr. REED. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KEATING] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. KEATING. Mr. Speaker, H. R. 10 is a sound measure which will remove a serious inequity from the statute books. For a number of years I have sponsored similar legislation to encourage the establishment of voluntary pension plans by self-employed individuals. I am delighted the principle of my proposal has been included in the bill before us.

H. R. 10 has the vigorous backing of numerous outstanding organizations and groups. They have made a strong case for its enactment.

This bill simply gives our self-employed people an opportunity to save their own money for their retirement days. It thus insures equality for that large segment of our population with the great majority of taxpayers.

It is particularly fitting that in a nation built on ideals of self-reliance and independence we should encourage such traits by means of our tax policies. Such encouragement will be provided by this measure, since it closes the present gap in the law which has made it hard for the self-employed to set up their own pension plans.

I hope this measure will gain overwhelming approval.

Mr. REED. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, I regret that I must rise to introduce a discordant note into this discussion. But I would not be true to my own conscience if I did not express some real concern over what it is proposed that we do here today.

I would be the first to concede, as I have to the gentleman from New York, that there is an inequity in our tax laws resulting from the ability of certain people, by reason of being employees, to have their employers build up pension plans and receive a tax exemption for them. We must recognize that the pension plan is income to these employees. It is a fringe benefit, but it is part of their remuneration for services rendered and is income to them. This bill does attempt in part to correct that inequity between the tax treatment of employees and the tax treatment of the self-employed.

What concerns me a great deal is that we still leave inequities as far as this particular area is concerned. There are many other people that will not be able to take advantage of the proposal here and will still be discriminated against. A third of the employees, for instance, are not under any kind of pension plan, yet they will not be able to take part of their income and defer it any more than the self-employed can today.

Also, a great majority of the employees covered by company pension plans are under contributory systems to which they must make individual contributions. At the present time, their individual contributions are not tax deductible and they will not be tax deductible under this bill. The bill before us will permit the self-employed individual, however, to obtain a tax deduction up to 100 percent of his contributions. It should also be remembered that many of the employee pension plans provide only nominal retirement benefits. Any supplemental retirement program that the individual employee might want to develop must be paid for with income after taxes. Under this particular bill, however, the self-employed will be permitted to set up a plan for his retirement from income before taxes.

The point I am trying to make is that although there is an inequity and a discrimination today, this bill will not completely eliminate the discrimination but will in fact create some further discrimination and inequity.

I would point out also that although the bill provides theoretically for a postponement of the tax on income invested in approved retirement plans, the practical effect of the legislation is to provide a tax reduction. This results from the fact that the individuals taking advantage of the plan will, generally speaking, be in a lower tax bracket after retirement than during the productive years when he is contributing to the plan. The tax deferment provided under this bill permits income to be transferred from years in which the individual is subject to the higher surtax rates to a period of time when he may be subject to much lower rates. The question I would ask the House is whether we are justified in providing this special tax reduction to this particular group at this time?

The proponents of the legislation argue that the benefits of this bill will be available to a large number of our citizens. They call our attention to the fact that it is estimated that there are about 5 million self-employed persons paying income taxes and that all of them would be eligible for the benefits provided by this legislation. Attention should be called, however, to the practical application of the proposal. From a practical standpoint, the only people who will be able to take advantage of this bill are those with a high enough income that they can afford to set aside up to 10 percent of their net earnings. There is a further practical limitation because any investments made in this fund cannot be used, nor borrowed against, except by the payment of a penalty until the individual reaches the age of 65. How many of our self-employed can tie up their savings to that extent? I would suggest that these practical applications will reduce considerably the number of people who will be in a position to avail themselves of this special tax treatment.

The people who will get the real advantage and the real tax break under this proposal are those in the extremely high income tax bracket. It is this group that can avail itself of the program and it is this group that will benefit most by the postponement of the income-tax liability from a period of high surtax-bracket rates to a period of lower income and lower surtax-bracket rates. I will be the first to recognize the hardships and the inequities resulting from the extremely high progression in our income taxes. In fact, it is the extremely high tax rates that are at the heart of this and many other problems which we face.

Let me remind the House that tomorrow the Committee on Ways and Means will hear the Secretary of the Treasury on the recommendation of the administration for an increase in our national debt limit by approximately $10 billion. There is no question but what the debt ceiling will be increased by the Congress within the next 2 weeks. When we face such a situation, I wonder if it comes with good grace for this Congress to give a special tax advantage to a special group to the extent of $360 million a year. For my part, I would approach such a question with great timidity.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from New York.

Mr. KEOGH. Of course, you can say that the $360 million is an estimate.

Mr. BYRNES of Wisconsin. I realize that, certainly, but it is all we have to go on.

Mr. KEOGH. Except that we do have the experience in the Dominion of Canada with a broader coverage than contemplated by the pending bill.

Mr. BYRNES of Wisconsin. I am not going to quarrel and I do not think the gentleman is going to quarrel about the figure he used in his report. The estimate is $360 million. I am not suggesting that is too low or too high. That is the figure used by the committee and it is used in the report as the cost of this bill.

Faced with these circumstances, however, can we justify this action? In addition to the inequity that this bill attempts to correct, it seems to me that we might also give some consideration to the inequities and injustices which result from loading future generations with additional taxes and liabilities because we are unwilling to assume them at this time.

But let me come to this point, which I think is of particular importance and which I think we have to face up to eventually. The problem here of inequities that we try to meet piecemeal all have at their heart our very high tax rates today, and particularly the very high progressive rates. That is where the burden comes, and that is the basic burden you are trying to relieve here. Unless we make a frontal attack on these rates we are going to get our tax code in such a hodge-podge and jumble that nobody will be able to figure it out, and there will be inequity piled upon inequities. We have them today. This bill tries to take care of one inequity, yet by doing so it is going to create some other inequities. You cannot help but have that kind of situation when you try to meet all these little special cases by special legislation.

Mr. Speaker, I would suggest that as we take special action and we give special

tax exemptions or special tax credits or special tax deferments and reduce our revenues little by little, in that way we just postpone the day when we can get to the heart of this problem. We postpone the day when we can give tax relief across the board and tax relief directed against the rates. When I view the matter, Mr. Speaker, from that angle, it just seems to me that the situation we are in at the present time makes it very questionable as to whether we are doing equity and justice to those people primarily affected by this bill but also to all of our people and, yes, even to generations yet to come. In order to treat them equitably I think it would be well to put aside this bill at this time. I do want to say to the credit of the gentleman from New York and the Committee on Ways and Means that I think as far as this limited area of relief for this limited group is concerned, this bill as drafted is a good bill. My objection to the bill is based on my inability to justify in my own conscience the granting of this special relief at this particular time.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. REED. Mr. Speaker, I yield 3 minutes to the distinguished author of this bill, the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, I am further in the debt of my distinguished colleague from New York and I appreciate his graciousness in this regard. I have sought this time to yield to a couple of Members who were on their feet when my time expired. I yield to the gentleman from California [Mr. ROOSEVELT] who, I recall, was the first to ask me to yield.

Mr. ROOSEVELT. Mr. Speaker, I am very much interested in the remarks of the gentleman from Wisconsin who just addressed us. I was happy to hear that he agreed that this was, as far as it went, a sound bill and that it did reach a right conclusion. I cannot help but believe in the final analysis if we follow through on this basic principle, we will adjust the equities involved as to the different groups, and I do not see why we should not go ahead and do it now.

Mr. Speaker, I congratulate the gentleman from New York [Mr. KEOGH] on this legislation, and I urge the passage of the legislation.

Mr. KEOGH. Precisely. And, Mr. Speaker, may I say we have under the provisions of section 401 of the 1954 code, upward of 40,000 qualified pension plans that have been established to which the annual contributions are $2,800 million. Most of the contributions are by the employer who deducted them as business expenses. It certainly seems to me, when we try in a limited and moderate way to do precisely the same thing for a group of upward of 7 million Americans, not including their families and their dependents, that we are not dealing with a special or little class of people.

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

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

Mr. COAD. Mr. Speaker, I would like to take this opportunity to associate myself with the gentleman from New York in reference to his fine bill. Further, I wish to commend him for his excellent presentation of the argument for the bill and the courageous crusade he has led in behalf of the self-employed to bring this bill to the floor of the House.

Mr. Speaker, it is time that we act to provide to those who are self-employed a measure of encouragement to plan and lay away a part of their income during their working years for enjoyment upon retirement. We have witnessed the many advantages of retirement and pension programs which a great part of our working people enjoy. It is time now to extend these advantages to the self-employed people as well. Under the provisions of this bill there would be encouraged the establishment of voluntary pension plans by self-employed individuals by providing that in the case of a self-employed individual, there would be allowed as a deduction from Federal income taxes, the amount paid by him within the taxable year as a retirement deposit, up to $2,500 or 10 percent of his net earnings, whichever is the lesser. These measures would provide an incentive to the self-employed man or woman to join a voluntary pension plan and provide the security which we all seek for our retirement years.

I have received many, many letters and inquiries about this bill from the self-employed people in my District, especially those who are in the medical profession, expressing favor of the provisions of this bill and urging that it be passed. It is therefore with a deep feeling of responsibility for the wishes of the self-employed people of my District that I join with my many colleagues who favor and support this bill that I urge that it be passed without further delay.

Mr. REED. Mr. Speaker, I yield to the gentleman from Ohio [Mr. DENNISON].

Mr. DENNISON. Mr. Speaker, I rise in support of H. R. 10, which provides for postponement of Federal tax on income placed by self-employed persons in voluntary retirement or pension funds. Most self-employed persons in America have, for a number of years, been discriminated against taxwise in their personal retirement programs. It is unfair, for example, to postpone until the low-income years any tax liability on payments made to a retirement fund on behalf of employed persons until the income is taken down and at the same time to deny these benefits to those, particularly in the professional ranks, who have a relatively short period of high-income activity—a period when they must inaugurate and complete their saving for their future.

Self-employed persons generally assume large personal risks. Those in the professions such as doctors, lawyers, dentists, and the like have a tremendous investment in time and money before entering into actual performance of their calling. They must, in their productive years, set aside sufficient funds to take care of themselves in the years when their own human energy and resources have been depleted. It is not unreasonable or unfair to give them the same tax benefit that employed persons enjoy.

I strongly favor passage of this measure. It will mean a lot to the men and women of this country who, in the performance of individual and professional service, serve us all.

Mr. REED. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the pending bill.

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, this legislation before the House today, H. R. 10, is of great importance to every self-employed person in our country.

By permitting self-employed individuals to take a deduction for a limited amount of investment in certain types of retirement annuity, or a specific type of retirement trust, the individual will be able to save during years of peak income, and receive the benefits of savings and also tax payments at the lower rates in years when income and overall productivity is declining.

This bill will help straighten out the inequalities under the present tax setup, where an employee is receiving this type of tax treatment, but the self-employed does not. Company officials and employees receive benefits from retirement plans which are not counted as income until the money is actually drawn out, and the company counts their contributions to the funds as expenses at the time they pay into the fund.

The small-business man, farmer, and professional man now has to save at great disadvantage, since income put into savings for retirement is taxable at a higher rate during peak income years, rather than later in life when income is naturally reduced.

Mr. Speaker it is for these 10 million Americans who so badly need this tax relief that the Congress must act favorably on this bill. This will enable them to have the same advantages in later life that employees now receive. This measure will encourage voluntary retirement savings. It will reiterate our belief in the free enterprise system by removing the present disadvantage the independent businessman finds himself in regarding savings for retirement.

I sincerely hope the House will adopt this measure, and thereby go on record in support of the farmers, small-business men and professional people who have helped make this country what it is today, and provide 10 million Americans with at least some equality in providing for their retirement years.

Mr. WAINWRIGHT. Mr. Speaker, may I take this opportunity to congratulate the gentleman from New York [Mr. KEOGH] for his untiring efforts in behalf of this much needed legislation. The American Republic was founded on the thesis that God helps those who helps themselves. The philosophy of the Keogh bill is just that. The establishment of voluntary pension plans by self-employed should be a national incentive for all those concerned. I hope that the membership will strongly endorse this

proposal and that the other body will act with equal speed. It is a popular bill in my Congressional District.

It is impossible to discuss this legislation without mentioning George Roberts, Esq., senior partner of the New York law firm Winthrop, Stimson, Putman & Roberts. Mr. Roberts has been a tireless worker in behalf of this legislation for the past 6 years and more. As the chairman of several bar association groups he has done as much or more than any individual outside the Congress to stimulate interest in this legislation. This certainly follows the traditions set by his great partner, the late Henry L. Stimson. Mr. Roberts deserves to be in the ranks with the bill's author, Mr. KEOGH.

Mr. HARVEY. Mr. Speaker, the recent action of the House Ways and Means Committee in favorably reporting an amended draft of the Jenkins-Keogh bills is gratifying.

Since the advent of our Federal social security program more than 20 years ago, it has been increasingly evident that the self-employed should be enabled to share the advantages of a systematic retirement plan. To achieve such an end, however, and establish an incentive while also maintaining the economic freedom of individuals engaged in diversified livelihoods, encompassed a variety of problems. For some time now it has been generally acknowledged that the best hope of a practical solution lay in the realm of income taxation. It is there, of course, through a similar but mandatory contribution of employer and employee, that millions of working Americans are assured an income in their advance years. It follows that many self-employed should be accorded a limited tax exemption on funds they voluntarily set aside for old-age annuities.

If the principles of the Jenkins-Keogh bills become the basis of new Federal law, the grateful beneficiaries will include the members of such respected professions as medicine and the ministry. Even if the proposal now pending should fail of enactment this year, I believe it will be regarded as a must item on the agenda of the next Congress.

Mr. REUSS. Mr. Speaker, as one of the cosponsors of the Self-Employed Individuals' Retirement Act, I am most gratified that the House of Representatives today has passed H. R. 10 so overwhelmingly. I hope that the Senate will promptly do the same, and that the President will approve this most important legislation.

This bill, so widely known as the Keogh-Jenkins bill after its original authors, will allow our 10 million self-employed citizens to provide for their own retirement, from their own funds, without having to pay income tax on the money they set aside until the funds are received later as retirement or survivor benefits.

This legislation gives the self-employed person—whether doctor or dentist, accountant or lawyer, druggist or barber, farmer or neighborhood grocer or other independent businessman—the tax deferment advantages in building up his own retirement fund that are now enjoyed by millions of Americans participating in company retirement and pension plans.

We in the House have declared today that we want to preserve individual enterprise, and to encourage self-employed persons to make realistic plans for their retirement, under an equitable tax system. We will not penalize those millions of Americans who carve their own economic destiny as independent businessmen or professional people.

Mr. HENDERSON. Mr. Speaker, I approve the principles of H. R. 10, a bill to encourage the establishment of voluntary pension plans by self-employed individuals, and I urge my colleagues in Congress to support the measure.

The bill permits self-employed individuals to take a current deduction for a limited amount of investment in certain types of retirement annuity, or a specific type of retirement trust.

I favor this measure because it tends to achieve greater equality of tax treatment between self-employed individuals and those working for an employer. Under present law, the employees of a business can achieve postponement of tax on retirement-income savings if the employer pays into a qualified pension, profit-sharing, or stock-bonus plan what he might otherwise have paid directly to the employees. The employer gets a tax deduction and the employee is not taxable until he draws down his benefits under the plan.

It has been somewhat inequitable that this same tax advantage has not been available for self-employed persons. Heretofore any annual contributions to a retirement fund the self-employed person has made are taxable in the year the money is earned, even though enjoyment is deferred until after his retirement, while taxation is deferred until retirement in the case of the employed person.

The measure applies to those persons subject to tax on self-employed income for social-security purposes, and also to certain other categories of self-employed, including doctors and ministers ordinarily exempt from self-employment tax.

The deduction is limited generally to 10 percent of income per year, but not to exceed $2,500, and it may not exceed $50,000 in the lifetime of the individual. Restrictions and limitations are provided for those who also earn wages which are covered by a pension plan or who have obtained nonforfeitable rights to such a pension plan.

The measure will provide an incentive to persons to make plans for the future and encourage the American principle of thrift and saving. I commend this bill and its purposes and hope it will be passed.

Mr. PHILBIN. Mr. Speaker, I commend our able distinguished friend and colleague, Mr. KEOGH, and his capable associates for the long-sustained, successful work, which has resulted in the pending measure, H. R. 10, to encourage the establishment of voluntary pension plans for self-employed individuals.

The merits of this measure have long been obvious to me and I have been privileged to join in efforts being made to bring it to the floor of the House for passage.

It is felicitous that this question has been considered on its merits and it is untouched by even a suggestion of critical partisanism. In complimenting those who worked so hard and ably on the measure, I realize that it would not be appropriate for me at this time to enter into any lengthy analysis or exposition of the bill. Its purpose and its intent is manifest. It seeks to remove certain discriminations against self-employed persons by entitling them to qualify like other employees for certain contributory pensions.

In its operation, it would remove the present tax disadvantage for self-employed proprietors and partners and to that extent provides a measure of relief for the small-business man that will be very welcome in these days when small business as a whole is not receiving its due share of the national product.

The bill applies to persons, who are subject to the tax on self-employment income, as well as doctors and ministers. It allows these individuals to deduct up to 10 percent of their earnings from self-employment, but not over $2,500 a year, for amounts paid into restricted retirement insurance policies or restricted retirement trust funds. It will be applicable to persons over 50 years of age on January 1, 1959, who would, under its terms, be permitted higher annual deductions.

It contains a lifetime ceiling of total deductions of $50,000 per taxpayer reducible in the case of individuals, who have previously withdrawn employer contributions under a qualified pension plan or have received nonforfeitable rights to employer contributions. There are several technical provisions in the bill, which imposes various limitations on its retirement program provisions.

Before the bill takes effect, insurance companies must make available insurance policies that meet the specific requirements of the bill and banks will be in a position to establish trust funds meeting its requirements. These steps cannot be taken until the Treasury issues detailed regulations, outlining the rights and responsibilities of the banks and the insurance companies.

I realize the administration has raised certain objections to the bill, which the committee has endeavored to meet, but on the whole I think that the bill is a step in the right direction and believe it will be of considerable help to self-employed persons without costing the Treasury much money.

Every time the Congress moves to reduce taxes objections are raised that the reduction will cost the Treasury too much money. It is my opinion, however, that these objections are not valid in every instance and neither are they true in some instances. I have felt right along that a general tax reduction bill, instead of costing the Treasury money, in the long run would bring in new revenue. I think that there are many authoritative economists who take the same view, and while I highly approve of this bill, I regret that the Congress did not move during this session to put into effect some long overdue tax reductions.

I think that such reductions would do more to eliminate present depressed economic conditions in some parts of the country more effectively than any other method that has been tried to date.

Mr. SPRINGER. Mr. Speaker, H. R. 10, more commonly known as the Jenkins-Keogh bill, to encourage the establishment of voluntary pension plans by self-employed individuals, has been legislation long in the making. I have been familiar with this legislation and have been trying to get such a bill before the House since 1952. It is good legislation and in the public interest.

I. PURPOSE

This bill permits self-employed individuals to take a current income-tax deduction for a limited amount of investment in a retirement annuity, or a specific type of retirement trust. Penalty provisions are provided for withdrawing the amounts during the lifetime of the self-employed individual if they are withdrawn before he is 65 years of age. On the other hand, he must begin to withdraw these amounts not later than when he reaches age 70.

II. REASON FOR THE BILL

This bill will give greater equality of tax treatment between self-employed individuals and employees. At the present time employees of a business may postpone tax on retirement income savings if the employer pays into a qualified pension plan. In that case, the business firm gets immediate deductions for amounts contributed to the plan and the employee is not taxable until he draws his benefits under the plan.

Likewise, those of us who have favored this legislation believe it is reasonable that self-employed persons should have the same right under the law to obtain equivalent tax treatment on retirement savings.

The bill will be effective for the taxable year beginning in 1959.

III. SUMMARY OF THE BILL

A. Eligibility: The bill applies to all self-employed persons who are subject to the tax on self-employment income—for social-security purposes—except that certain categories such as doctors and ministers, who are exempt from the self-employment tax, will be eligible for the deduction under this bill. The deduction, however, will not be available to a self-employed person who is subject to the self-employment tax if in the same year he has earnings which are covered in a qualified pension plan or if during the year he draws benefits under a qualified employer plan.

B. Deduction: Self-employed individuals will be permitted to deduct from their adjusted gross income an amount paid as a premium in a retirement trust fund. This deduction will be limited to 10 percent of the net earnings from self-employment for any 1 year. The deduction under this bill may not, in most cases, exceed $2,500 in any 1 taxable year. The deduction may not exceed a total of $50,000 during the lifetime of the self-employed person. No deduction is allowed for any year after the taxpayer attains age 70.

C. Type of retirement policy: The retirement policy for which an individual may take a deduction must fundamentally be an annuity or an endowment policy issued by a domestic life insurance company. The policy may provide life insurance benefits, but these may not extend beyond age 70. The policy may provide for an endowment not later than the time the self-employed individual reaches age 70, or it may provide a life annuity or a joint and survivor annuity to the insured and his spouse, beginning not later than when the self-employed individual reaches age 70. The policy must be nonassignable.

D. Restricted retirement funds: Instead of purchasing an insurance policy, the deduction may be obtained by making deposits in a restricted retirement trust fund. This trust must be established for the exclusive benefit of one or more participating individuals. The trustee must be a bank. The investments of the trust are limited to stock or securities listed on a registered exchange, stock of a regulated investment company, Government bonds, or face-amount certificates.

The income of a restricted retirement trust fund will be tax exempt. The trust may distribute income or corpus to participating members at any time. When the members attain age 70, the trust must begin a program of distribution of that member's interest, which must be completed before he attains age 80.

E. Reporting requirements: The bill requires each bank trustee of a restricted retirement fund and each insurance company which has issued a restricted retirement policy to file such returns and information as the Secretary may prescribe. It also requires each self-employed individual to furnish certain information to the trustee of his restricted retirement fund or to the insuror of his restricted retirement policy.

F. Effective date: This bill applies to taxable years beginning after December 31, 1958.

I personally am much pleased that the great Committee on Ways and Means has finally brought this legislation to the floor. This bill gives relief and encouragement to the small, independent business and professional man, including doctors, dentists, lawyers, accountants, engineers, and consultants, and others who make up the life of the smaller communities of this country.

For a long time the big companies have had deductible pension plans for which income-tax credits could be taken by the corporations.

All of us realize that in many instances the professional and small-business man has a very limited period of good income. It takes the ordinary professional man quite a few years to get started. When he reaches his peak income his years are few until retirement. There was no way in which he could accumulate a small nest egg for his old age before taxes. This legislation takes recognition of that fact.

Also, it encourages savings. In recent years this has been one of the shortcomings of our tax system. This legislation recognizes that.

This bill is good legislation, in the finest American tradition.

Mr. CRAMER. Mr. Speaker, passage in the House of H. R. 10 was a tribute to the determination and hard work of two distinguished gentlemen. In indicating my support of this measure I wish to acknowledge the great accomplishment of Mr. JENKINS of Ohio and Mr. KEOGH of New York. Over a period of many years they determinedly fought the battle that has been won, at least, in the House. Their success is to be commended and nearly 7 million of professional men and women and other self-employed people will benefit from their foresightedness and determination. I congratulate them on splendid work and am happy to cosponsor this bill, I having introduced H. R. 11187.

A great number of the residents of the First District of Florida have expressed their interest in H. R. 10 and I was glad to represent their interests in introducing a companion bill, H. R. 11187 and in voting for this bill that would provide an equitable form of tax relief for those who wish to voluntarily provide for the later years of their life. It is only proper that they do so. It is only proper that they be afforded the same benefits as the employee—in some cases their own employees—who, with the contributions of a company, are only taxed on money paid into retirement-benefit programs when they are received upon retirement.

The professional men and women of the first district have been nearly unanimous in support of such legislation. In fact, they have urged that I support this measure which simply encourages the establishment of voluntary pension plans by the self-employed. It fully provides for those affected a greater equality of tax treatment as related to the employee who will draw social security benefits and the employer or professional man who, of his own choosing, would protect his future and that of his family.

Tax deferment, up to $2,500 or 10 percent of the income of the individual electing to use the provisions of H. R. 10, can only inure to the benefit of the Government over a period of years and whatever loss of tax revenue there is at this time will become an advantage in the future. I must say that I sincerely hope a further form of tax relief may be presented to even more of the taxpayers of the Nation in the near future. The immediate tax loss that must be met with enactment of this measure, which I view as being overcome shortly through other taxes resulting from this plan, can certainly be overcome with stringent housekeeping on the part of the agencies of Government and cutting of waste throughout all departments particularly in our programs of mutual assistance planned throughout the world. This loss is insignificant in comparison to the benefits provided. Resultant investment of capital held in trust funds that would be provided in the execution of the provisions of this bill would be to the public good and a source of advantage to the Government through purchase of Government bond issues and through additional taxable investment incomes. We must further realize that this program

will definitely encourage the growth of savings throughout the country and thus have a most significant anti-inflation effect.

There has been a long delay in the remedial legislation that we have provided by action of the House. I trust the Senate will act favorably thereon. I have been glad to support and cosponsor this legislation that brings about an equalization in tax benefits and which provides greater security for those who voluntarily elect to avail themselves of the provisions of this bill. I, again, congratulate the authors of H. R. 10, am delighted to join them as a cosponsor of this bill, and I express my full endorsement of this legislation.

Mr. LANE. Mr. Speaker, farmers, doctors, writers, lawyers, ministers, small-business men—there are some 10 million of these self-employed in the United States.

They cannot understand why millions of corporate employees are covered by retirement plans at low cost to themselves and their employers while the self-employed are denied these advantages under present law.

It is true that many of the self-employed come under the old-age and survivors insurance program, but so do the vast majority of employees. Millions of employees, however, supplement these benefits from their participation in private qualified pension plans.

Remember that the self-employed invariably serve a long apprenticeship of education and austerity experience before their earning power develops. They find themselves far behind the employees who began acquiring social security and coverage under private pension plans, in some cases as early as their 18th year.

During his shorter though more lucrative earning period, the self-employed should be permitted to set aside savings for additional annuity revenue in his retirement without being discriminated against taxwise.

H. R. 10 will remove this inequity.

It will give the self-employed, including the dentist, the accountant, the local druggist, the corner grocer, the tax deferment advantages that will encourage and enable them to build up their own voluntary retirement funds.

It will restore them to equality with the millions of their fellow Americans who look forward to additional security in their old age by their participation in company retirement and pension plans.

H. R. 10 will make it possible for the self-employed who have the courage, initiative, and self-reliance which inspire and energize the American way of life to provide for their retirement from their own funds, without having to pay income tax on the money they put aside until the funds start to pay them back in the form of retirement or survivor benefits.

H. R. 10, popularly known as the Jenkins-Keogh bill, will authorize for the self-employed a tax exemption on contributions to a retirement fund of as much as $2,500 per year until such time as the fund builds up to the limit of $50,000.

It is essential for us to pass H. R. 10, not only for the relief and the encouragement of the self-employed but in so doing to establish the precedent that will lead to the gradual inclusion of everyone and provide them with the incentive to save for the future through participation in private pension plans.

I congratulate our colleagues who have given earnest study to the formulation of this bill. Their perseverance, animated by logic and justice, has brought this problem to the attention of the Nation.

I consider it a privilege to support H. R. 10 without reservation and to express my sincere hope that it will be enacted into law this year.

The SPEAKER. The question is on suspending the rules and passing the bill, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING ATOMIC ENERGY ACT OF 1954

Mr. PRICE. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 13455) to amend the Atomic Energy Act of 1954, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 170 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"k. With respect to any license issued pursuant to section 53, 63, 81, 104 a., or 104 c. for the conduct of educational activities to a person found by the Commission to be a nonprofit educational institution, the Commission shall exempt such licensee from the financial protection requirement of subsection 170 a. With respect to licenses issued between August 30, 1954, and August 1, 1967, for which the Commission grants such exemption:

"(1) The Commission shall agree to indemnify and hold harmless the licensee and other persons indemnified, as their interests may appear, from public liability arising from nuclear incidents. The aggregate indemnity for all persons indemnified in connection with each nuclear incident shall not exceed $500,000,000, including the reasonable cost of investigating and settling claims and defending suits for damage;

"(2) such contracts of indemnification shall cover public liability arising out of or in connection with the licensed activity; and shall include damage to property of persons indemnified, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs; and

"(3) such contracts of indemnification, when entered into with a licensee having immunity from public liability because it is a State agency, shall provide also that the Commission shall make payments under the contract on account of activities of the licensee in the same manner and to the same extent as the Commission would be required to do if the licensee were not such a State agency.

Any licensee may waive an exemption to which it is entitled under this subsection."

The SPEAKER. Is a second demanded?

Mr. VAN ZANDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PRICE. Mr. Speaker, H. R. 13455 is a bill to amend the Atomic Energy Act of 1954, as amended, to add a new subsection 170 k. to provide that, with respect to licenses for the conduct of educational activities issued by the Atomic Energy Commission to a person found by the Commission to be a nonprofit educational institution, the Commission shall exempt such licensee from the financial protection requirement of subsection 170 a. of the act. This legislation is necessary in order to make possible the participation of many State universities in our atomic energy program.

As chairman of the Subcommittee on Research and Development of the Joint Committee, I can assure my colleagues in the House of the tremendous contributions which our universities can make to our atomic energy research program. Unless this bill is passed, many such universities will be forced to withdraw from the program because of requirements of State law which prohibit them from making premium payments for public liability insurance.

This bill, therefore, provides that, in this limited area, the AEC shall exempt nonprofit educational institutions from the normal requirement of providing financial protection. The bill is not intended to carve out or create a major exception from the provisions of the AEC Indemnity Act, the Price-Anderson Act enacted by the Congress last year. It is only intended to make possible the effective extension of that act to these nonprofit educational institutions, many of which otherwise would not be able to qualify under the provisions of present law, or to obtain a license from the AEC.

Mr. Speaker, after a hearing before the Joint Committee on May 8, 1958, when this problem was first discussed, I introduced on June 27, 1958, H. R. 13190, the predecessor of this bill. Shortly thereafter, identical bills were introduced by my colleagues, Congressman MOULDER, from Missouri—H. R. 13219, Congressman ROGERS, from Texas—H. R. 13222, and Congressman MATTHEWS, from Florida—H. R. 13321. The committee has been informed that all of those gentlemen support this bill because of State universities in their districts which plan to operate research reactors, but which would be disqualified and unable to participate in the program unless this legislation should be passed.

I might add, Mr. Speaker, that the Joint Committee has received communications from universities in many States, including Missouri, Michigan, Ohio, Oklahoma, Texas, Florida, Pennsylvania, and others, as well as the National Association of Attorneys General, stating the need for this type of legislation.

The Joint Committee, after learning of the problem, held public hearings on May 8, July 9, and July 17, 1958. I believe that this bill, which has been approved by the Joint Committee, will serve a very worthwhile purpose of enabling our universities to participate in our atomic energy research and training program.

Mr. Speaker, I urge all Members to support H. R. 13455.

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

Mr. PRICE. I yield.

Mr. MATTHEWS. I want to congratulate the gentleman on this legislation and thank him for permitting me and many of our colleagues to appear before his committee to point out the problems that our State universities have had in going forward with their instrumentation. The University of Florida is located in my District. We should be able to go forward if the gentleman's bill is passed. Again I want to congratulate him and thank him.

Mr. PRICE. I thank the gentleman.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield.

Mr. ROGERS of Texas. I want to congratulate the gentleman from Illinois for the fine work he has done in bringing this bill to the floor. The University of Texas finds itself in the same situation as that outlined by the gentleman from Florida [Mr. MATTHEWS]. I think a great contribution can be made to this fine program by these universities.

I think that the gentleman from Illinois is making it possible for them to do that.

Mr. PRICE. I thank the gentleman.

I would like to say that this legislation applies to all nonprofit educational institutions. While the matter was called to our attention by the limitation placed by State laws on State-supported universities, the legislation applies to all nonprofit educational institutions.

Mr. VAN ZANDT. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I join my distinguished colleague, Congressman PRICE, in urging the House to approve H. R. 13455. In expressing my views, I would like to quote briefly from the report of the Joint Committee on this bill at pages 2 and 3 of the committee report:

> The Joint Committee believes that this legislation is necessary in order to encourage and make possible continuing and increasing contributions by nonprofit educational institutions in the atomic energy research and training program. Without this legislation, many State institutions might be forced to withdraw from the program or discontinue their plans to obtain and operate research and training reactors. The Joint Committee believes that such institutions are in a position to make a tremendous contribution in this important field and believes that this legislation is therefore necessary.
>
> The Joint Committee recognized that the most acute problem is faced by State agencies because of provisions of State law which make it impossible for them to make payments for liability insurance premiums.
>
> However the Joint Committee believed that the bill should apply to all nonprofit educational institutions, including privately owned and sponsored nonprofit educational institutions, because such institutions are also participating in the program. It is recognized that the Commission is making educational grants to such institutions and it would seem inconsistent not to extend to them the same benefits as to State-owned agencies. The Joint Committee did not consider this to be a serious inroad in the coverage of the act and insofar as the insurance companies are concerned. Nor does the committee regard it as a necessary precedent for other exclusions.

I am reading, Mr. Speaker, from the report of the committee that accompanied the bill H. R. 13455.

Mr. Speaker, without this bill many of our universities would not be able to participate in the atomic energy research and training program. Therefore, I join the gentleman from Illinois [Mr. PRICE] in urging the House to approve H. R. 13455.

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

Mr. VAN ZANDT. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that this legislation is retroactive to August 30, 1954?

Mr. VAN ZANDT. What page is the gentleman reading from?

Mr. GROSS. From the top of page 2 of the bill.

Mr. VAN ZANDT. There is no retroactive payment.

Mr. GROSS. I thank the gentleman.

Mr. PRICE. Mr. Speaker, I yield 1 minute to the distinguished chairman of the Joint Committee on Atomic Energy, the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, I take this time to commend the gentleman from Illinois [Mr. PRICE] and the gentleman from California [Mr. HOLIFIELD] for the outstanding and hard work they have done on these three measures which are before the House this afternoon for final action. Problems such as these require extensive hearings, and both gentlemen have been very patient in listening to witnesses, as well as to representatives from the agency of the Government, and in bringing before the House sound measures which will promote our atomic energy program, not only here in America but in the friendly nations of the world as well.

Congressman PRICE has spent many hours on what I regard as our basic problems in staying ahead of all other nations in the physical research world. Congressman HOLIFIELD has exercised sound judgment in the development of programs that will carry us on to higher achievements in the field of research. The measure which he is today handling is very far reaching and will carry out the intent and purpose of the 1954 act.

I believe we all realize today that if we expect to carry forward basic research in this country and continue to make advances it is necessary that we depend on our colleges and universities for the indispensable human material to keep us in the forefront. It is to the colleges and universities that we must look in the future for research personnel.

All three of these measures before the House today will, in my opinion, guarantee to the American people the tools with which to continue our ever-growing scientific community. I firmly believe that the Congress can accept these measures, so ably presented by Congressmen PRICE and HOLIFIELD, with complete confidence that they are in the best interest of our society and of our free-enterprise system.

Mr. VAN ZANDT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I want to congratulate the Joint Committee for bringing this legislation to the floor. The University of Michigan in my Congressional District has a very sizable atomic energy research program known as the Michigan Memorial Phoenix Project.

The premiums that would have been required unless the law is amended as provided in H. R. 13455 would hamper and restrict very important research activities in the peacetime uses of atomic energy.

I am sure that all educational institutions engaged in atomic energy research will commend the committee for what it has done in bringing this bill to the floor today.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AMENDING THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

Mr. PRICE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4165) to amend the Atomic Energy Act of 1954, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 11 o. of the Atomic Energy Act of 1954, as amended, is amended by substituting a colon for the period at the end thereof and adding the following: "*Provided, however*, That as the term is used in subsection 170 l., it shall mean any such occurrence outside of the United States rather than within the United States."

SEC. 2. Section 170 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsections:

"l. The Commission is authorized until August 1, 1967, to enter into an agreement of indemnification with any person engaged in the design, development, construction, operation, repair, and maintenance or use of the nuclear-powered ship authorized by section 716 of the Merchant Marine Act, 1936, and designated the 'nuclear ship *Savannah*.' In any such agreement of indemnification the Commission may require such person to provide and maintain financial protection of such a type and in such amounts as the Commission shall determine to be appropriate to cover public liability arising from a nuclear incident in connection with such design, development, construction, operation, repair, maintenance or use and shall indemnify the person indemnified against such claims above the amount of the financial protection required, in the maximum amount provided by subsection e. including the reasonable costs of investigating and settling claims and defending suits for damage."

SEC. 3. Section 170 e. of the Atomic Energy Act of 1954, as amended, is amended by deleting the second sentence thereof and inserting in lieu thereof the following: "The Commission or any person indemnified may apply to the appropriate district court of the United States having venue in bankruptcy matters over the location of the nuclear incident, except that in the case of nuclear incidents caused by ships of the United States outside of the United States, the Commission or any person indemnified may apply to the appropriate district court of the United States having venue in bankruptcy matters over the location of the principal place of

business of the shipping company owning or operating the ship, and upon a showing that the public liability from a single nuclear incident will probably exceed the limit of liability imposed by this section, shall be entitled to such orders as may be appropriate for enforcement of the provisions of this section, including an order limiting the liability of the persons indemnified, orders staying the payment of claims and the execution of court judgments, orders apportioning the payments to be made to claimants, orders permitting partial payments to be made before final determination of the total claims, and an order setting aside a part of the funds available for possible latent injuries not discovered until a later time."

The SPEAKER. Is a second demanded?

Mr. VAN ZANDT. Mr. Speaker, I demand a second.

Mr. PRICE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. PRICE. Mr. Speaker, S. 1465 is an identical bill to the bill H. R. 13456 to amend the Atomic Energy Act of 1954, as amended, to extend the provisions of the AEC Indemnity Act—the Price-Anderson Act passed by the Congress last year—to the nuclear ship *Savannah*, the United States first nuclear-powered merchant ship now under construction near Camden, N. J. The ship is now covered by the indemnity provisions in the present act so long as it is within the continental limits of the United States, and this legislation is necessary only in order to cover its operations outside of the United States. The bill extends to the *Savannah*, the same type of coverage, and in the same amount, as provided by Public Law 85–256, the AEC Indemnity Act.

The Joint Committee considered this matter at hearings on May 8, July 9, and July 17, 1958. Testimony was received from representatives of the Atomic Energy Commission and the Maritime Administration. The committee also considered S. 3106 referred to it by the Senate Committee on Interstate and Foreign Commerce. In summary, the Joint Committee decided that, for this first ship, it would be preferable to place administration of the indemnity provisions in the Atomic Energy Commission rather than in the Maritime Administration. The AEC has been studying problems of insurance and indemnity protection with respect to nuclear incidents for 3 or 4 years, and has had many studies of both reactor and insurance problems, and has had the benefit of a year of experience under the Price-Anderson Act. Therefore, for this first ship, it was considered advisable to place jurisdiction in the Atomic Energy Commission. However, as the committee report clearly states, this would not necessarily constitute a precedent for future ships.

In closing, Mr. Speaker, I would like to quote briefly from the comments of the Joint Committee at page 2 of the committee's report on this bill:

The Joint Committee on Atomic Energy was advised of the possible indemnity problems arising out of construction and operation of the nuclear ship *Savannah*, the nuclear-powered merchant ship now under construction and scheduled to commence operation in 1960. In order to remove any possible roadblocks in the operation of the ship and in order to provide adequate protection to the public, the Joint Committee recommends that the provisions of the AEC Indemnity Act be extended to cover this ship, and that the Atomic Energy Commission administer the provisions of this bill in the same manner as the other provisions of the AEC Indemnity Act enacted by the Congress in 1957.

Mr. Speaker, I therefore urge the House to approve H. R. 13456.

Mr. VAN ZANDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join Mr. PRICE in urging the House to approve S. 4165, a bill to provide indemnity protection with respect to the nuclear ship *Savannah*. The Joint Committee gave this matter careful consideration, and this bill has the unanimous support of the Members of that committee, and the bill, S. 4165, passed the Senate yesterday. The bill merely extends the existing provisions of the AEC Indemnity Act to cover this ship in its operations both within and without the limits of the United States.

Mr. Speaker, as a member of the Joint Committee, I am very interested in the field of nuclear propulsion for merchant ships. The *Savannah* is the first nuclear-propelled merchant ship, and I hope that that there will soon be more, especially a nuclear-propelled oil tanker. I believe that this bill should be enacted to protect the equipment manufacturers, the operators of the ship, and members of the public.

I therefore join Mr. PRICE in urging all Members of the House to approve S. 4165.

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

Mr. VAN ZANDT. I yield to the gentleman from Iowa.

Mr. GROSS. Are there any similar ships being built by foreign countries, and, if so, are we equally protected against loss by foreign ships?

Mr. VAN ZANDT. In reply to the gentleman from Iowa, I would say that to the best of our knowledge we do not know of any foreign country that, at the moment, is constructing a nuclear-powered merchant ship.

Mr. GROSS. Only ice breakers, in the case of Russia.

Mr. VAN ZANDT. Russia is constructing an icebreaker, and so are we.

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

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. HOSMER. I think the question asked by the gentleman from Iowa, however, has brought up a matter that we are going to have to deal with in the future as some of these ships do get on the line, and even in nuclear-powered stations on land. There is a need for some international standardization in connection with these liability and indemnity matters. The lack of that at the present time has a great deal of hampering effect on such things as the export of reactors and other atomic products.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

H. R. 13456 was laid on the table.

AMENDING THE FAIR LABOR STANDARDS ACT OF 1938

Mr. BARDEN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12967) to amend the Fair Labor Standards Act of 1938 with respect to the frequency of review of minimum wage rates established for Puerto Rico and the Virgin Islands, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 8 of the Fair Labor Standards Act of 1938 is amended by striking out the last sentence of subsection (a) and inserting in lieu thereof: "Minimum rates of wages established in accordance with this section which are not equal to the minimum wage rate prescribed in paragraph (1) of section 6 (a) shall be reviewed by such a committee once during each biennial period, beginning with the biennial period commencing July 1, 1958, except that the Secretary, in his discretion, may order an additional review during any such biennial period."

The SPEAKER. Is a second demanded?

The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. ROOSEVELT. Mr. Speaker, H. R. 12967 just passed by the House was made necessary by the provisions of Public Law 381 of the 84th Congress requiring annual reviews of wage rates in Puerto Rico and the Virgin Islands. Both industry and labor found the frequency of such review burdensome and unnecessarily expensive. This bill provides for biennial review but also authorizes the Secretary of Labor to order additional reviews during the biennial period if conditions warrant.

The Department of Labor recommends this bill and it is estimated the Government will save approximately $120,000 of the $350,000 now required to conduct industry reviews. This, in these days seems almost infinitesimal but perhaps every little bit helps.

Mr. Speaker, I know of no objection to this bill and its enaction into law will contribute to the feeling of our fellow citizens in Puerto Rico that the Congress is truly alert to their needs.

DEVELOPMENT OF MINERAL RESOURCES

Mr. ROGERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3817) to provide a program for the discovery of the mineral reserves of the United States, its Territories, and

possessions by encouraging exploration for minerals, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That it is declared to be the policy of the Congress to stimulate exploration for minerals within the United States, its Territories, and possessions.

SECTION 1. The Secretary of the Interior is hereby authorized and directed, in order to provide for discovery of additional domestic mineral reserves, to establish and maintain a program for exploration by private industry within the United States, its Territories, and possessions for such minerals, excluding organic fuels, as he shall from time to time designate, and to provide Federal financial assistance on a participating basis for that purpose.

SEC. 2. (a) In order to carry out the purposes of this act, and subject to the provisions of this section, the Secretary is authorized to enter into exploration contracts with individuals, partnerships, corporations, or other legal entities which shall provide for such Federal financial participation as he deems in the national interest. Such contracts shall contain terms and conditions as the Secretary deems necessary and appropriate, including terms and conditions for the repayment of the Federal funds made available under any contract together with interest thereon, as a royalty on the value of the production from the area described in the contract. Interest shall be calculated from the date of the loan. Such interest shall be at rates which (1) are not less than the rates of interest which the Secretary of the Treasury shall determine the Department of the Interior would have to pay if it borrowed such funds from the Treasury of the United States, taking into consideration current average yields on outstanding marketable obligations of the United States with maturities comparable to the terms of the particular contracts involved and (2) plus 2 per centum per annum in lieu of recovering the cost of administering the particular contracts.

(b) Royalty payments received under paragraph (a) of this section shall be covered into the miscellaneous receipts of the Treasury.

(c) When in the opinion of the Secretary an analysis and evaluation of the results of the exploration project disclose that mineral production from the area covered by the contract may be possible he shall so certify within the time specified in the contract. Upon certification, payment of royalties shall be a charge against production for the full period specified in the contract or until the obligation has been discharged, but in no event shall such royalty payments continue for a period of more than 25 years from the date of contract. When the Secretary determines not to certify he shall promptly notify the contractor. When the Secretary deems it necessary and in the public interest, he may enter into royalty agreements to provide for royalty payments in the same manner as though the project had been certified.

(d) No provision of this act, nor any rule or regulation which may be issued by the Secretary shall be construed to require any production from the area described in the contract.

(e) The Secretary shall establish and promulgate such rules and regulations as may be necessary to carry out the purpose of this act: *Provided, however,* That he may modify and adjust the terms and conditions of any contract to reduce the amount and term of any royalty payment when he shall determine that such action is necessary and in the public interest: *Provided further,* That no such single contract shall authorize Government participation in excess of $250,000.

(f) No funds shall be made available under this act unless the applicant shall furnish evidence that funds from commercial sources are unavailable on reasonable terms.

SEC. 3. As used in this act, the term "exploration" means the search for new or unexplored deposits of minerals, including related development work, within the United States, its Territories and possessions, whether conducted from the surface or underground, using recognized and sound procedures including standard geophysical and geochemical methods for obtaining mineralogical and geological information.

SEC. 4. Departments and agencies of the Government are hereby authorized to advise and assist the Secretary of the Interior, upon his request, in carrying out the provisions of this act and may expend their funds for such purposes, with or without reimbursement, in accordance with such agreements as may be necessary.

SEC. 5. The Secretary of the Interior is authorized and directed to present to the Congress, through the President, on March 1 and September 1 of each year, a report containing a review and evaluation of the operations of the programs authorized in this act, together with his recommendations regarding the need for the continuation of the programs and such amendments to this act as he deems to be desirable.

SEC. 6. There are hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this is a bill to create in the Department of the Interior an agency that has been known in the past as DMEA, Defense Minerals Exploration Administration. It was originally set up under the ODM of the Defense Production Act of 1950, and has been carried on under that authority up until July 1, 1958. Now, unless this bill is passed permitting this agency to continue in the Department of the Interior, it will expire. The reason for it in the first instance was to work out a partnership agreement to assist private industry in searching for and finding those minerals that we know as strategic minerals and metals, necessary to our economy and certainly necessary to our defense.

This bill simply takes out of the ODM that same organization and puts it into the Department of the Interior. It vests the Secretary of the Interior with discretionary power to participate in these mining operations, with a certain limitation; and to carry on this program as it has been carried on in the past, with the exception that in the future it will not be limited to strategic minerals and metals as outlined by the Office of Defense Mobilization but may be employed in regard to other minerals and metals. It will be within the discretion of the Secretary of the Interior to handle the matter and it is felt that that should be allowed.

The main need for this sort of thing is simply that we in this country have a serious shortage in the production of many strategic minerals and metals, mainly because those minerals and metals that were easy to get to or of which there were large ore bodies have simply been used up, and now you have to go further, you have to spend more money, you have to do more work, and it is not as inviting to private industry as it used to be, because they can put their money into other endeavors that will furnish them a greater return.

These minerals and metals are important to this country not only from the economic standpoint but from the defense standpoint, and certainly now with our advent into the space age it is highly necessary that the program be continued. That is the reason this bill has been introduced.

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

Mr. ROGERS of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. As I understand, this agency or administration is being relocated from ODM to the Department of the Interior; is that correct?

Mr. ROGERS of Texas. That is exactly right.

Mr. GROSS. Is the gentleman saying to the House that in this relocation or transfer there will be no augmented staff, that the staff will remain the same, that they are not going to add more employees, as has often been the case?

Mr. ROGERS of Texas. Mr. Speaker, let me say this to the gentleman from Iowa. A portion of the staff that has been in ODM, as I understand, has been released in contemplation of the discontinuance of these duties by ODM. The staff that has been employed in carrying out this program will probably be the same, but there is an amendment that we put into this bill that I think will please the gentleman from Iowa. Let me point this out: Appropriations have to be approved by the Committee on Appropriations to carry on this work, anyway. That is one safeguard. But the Committee on Interior and Insular Affairs put in an amendment requiring a report on March 1 and on September 1 of each year; so that the Congress could keep a continuing watch on this type of program and avoid the very thing that the gentleman from Iowa, and rightfully so, is disturbed about.

Mr. GROSS. Mr. Speaker, I hope the gentleman's committee will look for the reports and see that this does not result in additional employees and in upgrading of employees.

Mr. ROGERS of Texas. I assure the gentleman that if my people choose to return me here, I shall be very happy to watch out for it.

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

Mr. ROGERS of Texas. I yield to the gentleman from West Virginia.

Mr. BAILEY. Mr. Speaker, I should like to ask the distinguished gentleman from Texas if there is any connection between this bill—I note that it bears Senate number—and the action taken by the Committee on Interior and Insular Affairs covering a 1-year special program for the purchase of copper?

Mr. ROGERS of Texas. No. This bill is not the incentive-payment bill. May

I say to the gentleman that as originally proposed this bill was a section of the bill proposed by the Secretary of the Interior with regard to the mining industry. But we felt, and the committee in the other body also felt that it was better to separate these matters so that they could be handled separately and the House could work its will upon them.

Mr. BAILEY. I thank the gentleman for the information.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. METCALF. Mr. Speaker, the DMEA program has been one of the soundest programs to assist the small-mines industry in this country and to help assure continuous and expanding exploration and discovery to keep pace with our growing needs and demands. Other legislation pending is vital to offset current depressed metal prices but the long-term problem of developing ore reserves and locating and discovering new ore bodies is met with this bill.

To demonstrate the value of the defense minerals exploration program in small camps the production in the small town of Philipsburg, Mont.—population 1,048—is 75 percent from reserves discovered during the course of contracts between the DMEA and small mining operators in the district.

This bill making the DMEA a permanent agency and making it a part of the Interior Department is sound legislation, based on sound business principles. It will lead to the discovery of untold treasure in the mining areas of this country and through royalties on these discoveries the entire cost of the program will be returned to the Government. I urge the passage of the bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2933) to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization.

The Clerk read as follows:

Be it enacted, etc., That (a) section 3 of the act entitled "An act to establish an Alaska International Rail and Highway Commission," approved August 1, 1956 (70 Stat. 888; 48 U. S. C. 338), as amended, is amended to read as follows: "The Commission is authorized to cooperate with the officials of the Dominion of Canada and of the Provinces of British Columbia and Alberta and with any commission or similar body appointed for such purpose by the Dominion of Canada or the Provinces of British Columbia or Alberta. The Secretary of State shall, at the request of the Commission, arrange for meetings with such officials and with such commissions or similar bodies of the Dominion of Canada or the Provinces of British Columbia and Alberta."

(b) Section 7 of such act is amended by striking out "not later than 2 years after the date of enactment of this act" and inserting in lieu thereof "at the earliest practicable time, but in no event later than February 1, 1960." Section 7 is further amended by striking out the last sentence thereof which reads as follows: "The Commission shall cease to exist, and all authority conferred by this act shall terminate, 30 days after the date of submission of the final report," and inserting in lieu thereof: "The Commission shall cease to exist for all intents and purposes, and all authority conferred by this act shall and does terminate 30 days after the date of the submission of the final report or on March 1, 1960, whichever date occurs first."

(c) Section 8 of such act is amended by striking out "$75,000" and inserting in lieu thereof "$300,000."

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second so that we may have an explanation of the bill.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, this bill would extend the life of the Alaska International Rail and Highway Commission and increase its authorization.

The Commission was created in 1956. The proposal before us now would enable the Commission to carry out the directions that were received at that time, namely, to make a thorough and complete study of the need for additional highway and rail transportation facilities connecting the continental United States with Central Alaska; to determine among other things economic and military advantages, the most feasible and direct routes with relation to the economic benefits to the United States, Canada, and Alaska, and finally, the most feasible routes connecting coastal ports and cities to those facilities.

Those responsibilities are very substantial. The Commission asked that its life be continued to permit this survey, that it be granted 18 months to complete the work, and that it have a continued appropriation of $300,000, which would include the original $75,000 appropriation.

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

Mr. O'BRIEN of New York. I yield to the gentleman from Iowa.

Mr. GROSS. How much money has been expended on this project previously?

Mr. O'BRIEN of New York. On this specific project?

Mr. GROSS. In relation to the railroad lines and highways, by any commission.

Mr. O'BRIEN of New York. There have been during the last 24 years I believe 4 investigations, some of them semimilitary in character, but in each instance the investigation was to determine the engineering feasibility of building highways, and so forth. We have now arrived at the point where we know these things. Now it must be determined whether there is the economic feasibility, if the various commodities are available in sufficient supply to warrant the investment in these transportation facilities.

Mr. GROSS. Was that not taken into consideration in previous surveys that have been made? How much money is to be spent, and when is this thing going to come to an end?

Mr. O'BRIEN of New York. The material we have from these previous surveys of course will be utilized and is being utilized by the Commission. We now know from these surveys about the engineering feasibility of these projects. Whether these previous studies were incomplete or failed to live up to the mandate of Congress I do not know, but they did not go into the economic feasibility. As we know, in every project, whether it is deepening a river or something else, an important matter to be considered is the economic feasibility: In other words, is the investment by private capital or Government justified in the light of the probable use of the facility?

Mr. GROSS. This provides for an appropriation of $387,500, does it not?

Mr. O'BRIEN of New York. No. The amount was reduced to $300,000. I might add that that included the original $75,000. It is $225,000 in new money.

I might explain that this is not going to be a haven for a great many seekers of jobs, because the bulk of the new money will be used for the survey. The survey will be made by an outside agency under contract. There are about 18 proposals now under consideration by the Commission.

May I add further that the Commission represents both the executive and legislative branches of the Government.

Mr. GROSS. I hope this will come to an end when the 18 months expire. I believe that is the termination point when the Commission proposes to wind up its affairs.

Mr. O'BRIEN of New York. I will assure the gentleman from Iowa that the very small part I may have, and I am a member of the Commission, will be dedicated to completing the work within the time specified in this bill.

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

Mr. O'BRIEN of New York. I yield.

Mr. McCORMACK. Mr. Speaker, I desire to announce for the information of the membership that I am putting on the program the following: H. R. 9020, which is on the whip notice and the bill, S. 607, relating to retirement, clerical assistants and free mailing privileges to former Presidents of the United States.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

The bill, H. R. 9856, was laid on the table.

KLAMATH INDIAN TRIBE

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the bill (S.

3051) to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold, and for other purposes, as amended.

The Clerk read the bill as follows:

Be it enacted, etc., That the act of August 13, 1954 (68 Stat. 718), is amended by adding a new section 28 as follows:

"SEC. 28. Notwithstanding the provisions of section 5 and 6 of the act of August 13, 1954 (68 Stat. 718), and all acts amendatory thereof—

"(a) The tribal lands that comprise the Klamath Indian Forest, and the tribal lands that comprise the Klamath Marsh, shall be designated by the Secretary of the Interior and the Secretary of Agriculture, jointly.

"(b) The portion of the Klamath Indian Forest that is selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe shall be offered for sale by the Secretary of the Interior in appropriate units, on the basis of competitive bids, to any purchaser or purchasers who agree to manage the forest lands as far as practicable so as to furnish a continuous supply of timber according to plans to be prepared and submitted by them for approval and inclusion in the conveyancing instruments in accordance with specifications and requirements referred to in the invitations for bids: Provided, That no sale shall be for a price that is less than the realization value of the units involved determined as provided in subsection (c) of this section. The terms and conditions of the sales shall be prescribed by the Secretary. The specifications and minimum requirements to be included in the invitations for bids, and the determination of appropriate units for sale, shall be developed and made jointly by the Secretary of the Interior and the Secretary of Agriculture. Such plans when prepared by the purchaser shall include provisions for the conservation of soil and water resources as well as for the management of the timber resources. Such plans shall be satisfactory to and have the approval of the Secretary of Agriculture as complying with the minimum standards included in said specifications and requirements before the prospective purchaser shall be entitled to have his bid considered by the Secretary of the Interior and the failure on the part of the purchaser to prepare and submit a satisfactory plan to the Secretary of Agriculture shall constitute grounds for rejection of such bid. Such plans shall be incorporated as conditions in the conveyancing instruments executed by the Secretary and shall be binding on the grantee and all successors in interest. The conveyancing instruments shall provide for a forfeiture and a reversion of title to the lands to the United States, not in trust for or subject to Indian use, in the event of a breach of such conditions. The purchase price paid by the grantee shall be deemed to represent the full appraised fair market value of the lands, undiminished by the right of reversion retained by the United States in a nontrust status, and the retention of such right of reversion shall not be the basis for any claim against the United States. The Secretary of Agriculture shall be responsible for enforcing such conditions. Upon any reversion of title pursuant to this subsection, the lands shall become national forest lands subject to the laws that are applicable to land acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

"(c) Within 60 days after this section becomes effective the Secretary of the Interior shall contract by negotiation with three qualified appraisers or three qualified appraisal organizations for a review of the appraisal approved by the Secretary pursuant to subsection 5 (a) (2) of this act, as amended. In such review full consideration shall be given to all reasonably ascertainable elements of land, forest, and mineral values. Not less than 30 days before executing such contracts the Secretary shall notify the chairman of the House Committee on Interior and Insular Affairs and the chairman of the Senate Committee on Interior and Insular Affairs of the names and addresses of the appraisers selected. The cost of the appraisal review shall be paid from tribal funds which are hereby made available for such purpose, subject to full reimbursement by the United States, and the appropriation of funds for that purpose is hereby authorized. Upon the basis of a review of the appraisal heretofore made of the forest units and marsh lands involved and such other materials as may be readily available, including additional market data since the date of the prior approval, but without making any new and independent appraisal, each appraiser shall estimate the fair market value of such forest units and marsh lands as if they had been offered for sale on a competitive market without limitation on use during the interval between the adjournment of the 85th Congress and the termination date specified in subsection 6 (b) of this act, as amended. This value shall be known as the realization value. If the three appraisers are not able to agree on the realization value of such forest units and marsh lands, then such realization values shall be determined by averaging the values estimated by each appraiser. The Secretary shall report such realization values to the chairman of the House Committee on Interior and Insular Affairs and to the chairman of the Senate Committee on Interior and Insular Affairs not later than January 15, 1959. No sale of forest units that comprise the Klamath Indian forest designated pursuant to subsection 28 (a) shall be made under the provisions of this act prior to April 1, 1959.

"(d) If all of the forest units offered for sale in accordance with subsection (b) of this section are not sold before July 1, 1961, the Secretary of Agriculture shall publish in the Federal Register a proclamation taking title in the name of the United States to as many of the unsold units or parts thereof as have, together with the Klamath Marsh lands acquired pursuant to subsection (f) of the section, an aggregate realization value of not to exceed $90 million, which shall be the maximum amount payable for lands acquired by the United States pursuant to this act. Compensation for the forest lands so taken shall be for the realization value of the lands determined as provided in subsection (c) of this section, unless a different amount is provided by law enacted prior to the proclamation of the Secretary of Agriculture. Appropriation of funds for that purpose is hereby authorized. Payment shall be made as soon as possible after the proclamation of the Secretary of Agriculture. Such lands shall become national forest lands subject to the laws that are applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended. Any of the forest units that are offered for sale and that are not sold or taken pursuant to subsection (b) or (d) of this section shall be subject to sale without limitation on use in accordance with the provisions of section 5 of this act.

"(e) If at any time any of the tribal lands that comprise the Klamath Indian Forest and that are retained by the tribe are offered for sale other than to members of the tribe, such lands shall first be offered for sale to the Secretary of Agriculture, who shall be given a period of 12 months after the date of each such offer within which to purchase such lands. No such lands shall be sold at a price below the price at which they have been offered for sale to the Secretary of Agriculture, and if such lands are reoffered for sale they shall first be reoffered to the Secretary of Agriculture. The Secretary of Agriculture is hereby authorized to purchase such lands subject to such terms and conditions as to the use thereof as he may deem appropriate, and any lands so acquired shall thereupon become national forest lands subject to the laws that are applicable to lands acquired pursuant to the act of March 1, 1911 (36 Stat. 961), as amended.

"(f) The lands that comprise the Klamath Marsh shall be a part of the property selected for sale pursuant to subsection 5 (a) (3) of this act to pay members who withdraw from the tribe. Title to such lands is hereby taken in the name of the United States, effective July 1, 1961. Such lands are designated as the Klamath Forest National Wildlife Refuge, which shall be administered in accordance with the law applicable to areas acquired pursuant to section 4 of the act of March 16, 1934 (48 Stat. 451), as amended or supplemented. Compensation for said taking shall be the realization value of the lands determined in accordance with subsection (c) of this section, and shall be paid out of funds in the Treasury of the United States, which are hereby authorized to be appropriated for that purpose.

"(g) Any person whose name appears on the final roll of the tribe, and who has since December 31, 1956, continuously resided on any lands taken by the United States by subsections (d) and (f) of this section, shall be entitled to occupy and use as a homesite for his lifetime a reasonable acreage of such lands, as determined by the Secretary of Agriculture, subject to such regulations as the Secretary of Agriculture may issue to safeguard the administration of the national forest and as the Secretary of the Interior may issue to safeguard the administration of the Klamath Forest National Wildlife Refuge.

"(h) If title to any of the lands comprising the Klamath Indian Forest is taken by the United States, the administration of any outstanding timber sales contracts thereon entered into by the Secretary of the Interior as trustee for the Klamath Indians shall be administered by the Secretary of Agriculture.

"(i) All sales of tribal lands pursuant to subsection (b) of this section or pursuant to section 5 of this act on which roads are located shall be made subject to the right of the United States and its assigns to maintain and use such roads."

SEC. 2. Section 4 of the act of August 13, 1954, is amended by adding thereto a new sentence reading thus: "Property which this section makes subject to inheritance or bequest and which is inherited or bequeathed after August 13, 1954, and prior to the transfer of title to tribal property as provided in section 6 of this act shall not be subject to State or Federal inheritance, estate, legacy, or succession taxes."

SEC. 3. No funds distributed pursuant to section 5 of the act of August 13, 1954, as amended, to members who withdraw from the tribe shall be paid to any person as compensation for services pertaining to the enactment of said act or amendments thereto and any person making or receiving such payments shall be guilty of a misdemeanor and shall be imprisoned for not more than 6 months and fined not more than $500.

SEC. 4. The Secretary of the Interior is directed to terminate the contract between him and the management specialists by giving immediately the 60-day notice required by paragraph 18 of such contract. When the contract is terminated, all of the functions of the management specialists under section 5 of the act of August 13, 1954, as amended, shall be performed by the Secretary.

SEC. 5. Nothing in this act shall in any way modify or repeal the provisions of subsection 5 (a) of the act of August 13, 1954 (68 Stat. 718), as amended, providing for and requiring members of the Klamath Tribe to elect to

withdraw from or remain in the tribe, following review of the appraisal of the tribal property.

SEC. 6. The first proviso of subsection 5 (a) (3) of the act of August 13, 1954 (68 Stat. 718), relating to distributions in $200,000 installments, is repealed.

SEC. 7. The second proviso of subsection 5 (a) (3) of said act, as amended, relating to Indian preference rights, is further amended by deleting "any individual Indian purchaser may apply toward the purchase price all or any part of the sum due him from the conversion of his interest in tribal property" and by inserting in lieu thereof "any individual Indian purchaser who has elected to withdraw from the tribe may apply toward the purchase price up to 100 percent of the amount estimated by the Secretary to be due him from the sale or taking of forest and marsh lands pursuant to subsections 28 (b), 28 (d), and 28 (f) of this act, and up to 75 percent of the amount estimated by the Secretary to be due him from the conversion of his interest in other tribal property."

SEC. 8. The act of August 13, 1954 (68 Stat. 718), is amended by adding at the end of subsection 5 (a) (5) the following sentence: "If no plan that is satisfactory both to the members who elect to remain in the tribe and to the Secretary has been prepared 6 months before the time limit provided in subsection 6 (b) of this act, as amended, the Secretary shall adopt a plan for managing the tribal property, subject to the provisions of section 15 of this act, as amended."

SEC. 9. Except as provided below the provisions of the act of August 13, 1954 (68 Stat. 718), as amended, shall not apply to cemeteries within the reservation. The Secretary is hereby authorized and directed to transfer title to such properties to any organization authorized by the tribe and approved by him. In the event such an organization is not formed by the tribe within 18 months following enactment of this act, the Secretary is directed to perfect the organization of a nonprofit entity empowered to accept title and maintain said cemeteries, any costs involved to be subject to the provisions of section 5 (b) of said act of August 13, 1954, as amended.

SEC. 10. Subsection (b) of section 6 of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by striking out "6 years" and inserting in lieu thereof "7 years."

SEC. 11. Subsection 8 (b) of the act of August 13, 1954 (68 Stat. 718), as amended, is further amended by changing the colon to a period and by deleting the following language: *"Provided*, That the provisions of this subsection shall not apply to subsurface rights in such lands, and the Secretary is directed to transfer such subsurface rights to one or more trustees designated by him for management for a period not less than 10 years."

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HALEY. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Speaker, in considering the legislation now before the House, it is necessary to take into consideration the purposes of the bill and to consider somewhat the background that causes this measure to be here today. The principal purposes of this bill, as amended, are to provide for a review of the appraisal of the real property assets of the Klamath Indian Tribe heretofore made under the Klamath Termination Act of August 3, 1954. Second, to provide with more certainty and clarity than the law now does the price at which and the conditions under which those assets which must be disposed of to reimburse withdrawing members of the tribe shall be offered for sale. Third, to assure continued management of the Klamath Forest so as to yield a continuous supply of timber during the years to come. Fourth, to provide for Federal acquisition of the Klamath Marsh as a wildlife refuge. And, last, to provide for Federal acquisition of such of the Klamath Forest units as are not retained by the tribe or purchased by private parties.

The act which we are amending was approved on August 13, 1954, and its purpose was to permit Federal withdrawal for those of the Klamath Indian Tribe who wished to get out from under Federal supervision and to make division of the property; to make possible the necessary payments to those Indians who wish to withdraw from the tribe; and also to make it possible to retain in the ownership of the tribe the property of those who wish to remain in the tribe organization.

We have run into a great deal of trouble because we were unable to foresee the many difficulties that would arise in this enormous program. This is 1 of the 2 more unfortunate tribes for which termination was decided as a possible alternative to our care over Indians who have from the beginning of our national existence been considered as wards of the United States Government. The first of the two tribes considered for termination has been the Menominee and we have fairly well taken care of their program. The second is the Klamath Indian Tribe. This is a wealthy tribe. This is an advanced tribe. Because this tribe possesses a great deal of wealth it has been necessary that we provide for an equitable division of their property. We provided in the original law that there would be an appraisal of all tribal property and we would give each member of the tribe an opportunity to withdraw from the tribe and get his share; or, to stay within the organization, and have his property considered held in joint ownership. Also, we have provided a procedure by which we can determine and select a portion of the tribal property which, if sold or transferred, would provide sufficient funds to pay withdrawing members in cash.

We also caused a master plan to be prepared by direction of the Secretary. In providing this, we provided for the employment of three specialist land managers. They have been working on this program ever since their appointment by the Secretary of the Interior. We now find ourselves in a position where it appears that there are more withdrawing members than was expected. It is necessary to make disposition of more of the property than was originally intended for the purpose of securing cash. It is only justice that the Indians should receive every cent that is coming to them and that they should not be in a position of having to be the beneficiaries of the forced sale. This amendment that we propose today provides that if the property which is mostly in the form of valuable timber is not sold to private industry by a certain date, then such property will be taken over by public ownership, to be made a part of the Forest Service lands of the United States.

We have endeavored to provide that there shall be used a method of harvesting the timber which will protect the natural resource values which we have in that area. Accordingly, instead of providing for a sustained yield program, which by the way, does not mean everything that it seemingly does to many of the public, we are using the wording provided in the Forest Service law. That is, we provide for a continuous sale of timber in those areas where the timber can be harvested orderly and thus protect all of the timber values.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. SAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Speaker, this legislation was transmitted to Congress on January 13, 1958, by the Secretary of the Interior, Hon. Fred A. Seaton. In his letter Mr. Seaton said:

> The purpose of the bill is to assure the continued sustained-yield management of the part of the Klamath Indian Forest that must be sold in order to pay the members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest this is sold.

In the bill as it passed the other body there are three places where the term "sustained yield" is used. When Mr. Hatfield Chilson, Under Secretary of the Interior, testified before the House Interior Committee in support of the bill he said:

> The two basic objectives that will be accomplished by this bill are: (1) preservation of the Klamath Forest by assuring its management on a sustained-yield basis; and (2) assurance that the Indians will receive the fair market value of the part of the Klamath Forest that is sold to carry out the purposes of the act.

The Senate report on S. 3051 declares:

> The primary purpose of S. 3051 is to provide for the continued sustained-yield management of that part of the Klamath Indian Forest which must be sold to pay the tribal members who withdraw from the tribe, and at the same time make certain that the Indians receive the fair market value of the part of the forest that is sold.

In spite of this constant reiteration that the primary objective of the legislation is continued sustained yield the three references to sustained yield in the bill have been stricken and the provision substituted that would require management of the lands as far as practicable so as "to furnish a continuous supply of timber."

The gentleman from Colorado [Mr. ASPINALL] has helped explain this somewhat and the committee has explained in the House report that the words "to furnish a continuous supply of timber" were taken verbatim from the 1897 act

which has been the "guiding conservation principle under which the national forests have been managed since 1897." And as pointed out in the Senate report "the entire national forest system has been in sustained yield management since 1897."

The reason given by the committee in the report that the words "to furnish a continuous supply" were used is so that there will not be imposed more stringent requirements on the management of these lands than other national forest areas.

I would like to inquire of the gentleman if there is intention to impose less stringent requirements than on other national forest lands.

Mr. ASPINALL. That is not the intention of this. The intention is to provide that in those areas where you can operate under a sustained yield—there is a part of this where that would be impossible—we provide for the harvesting of the timber that is ready to harvest so that the Indians themselves may receive the benefits. In those areas where you can carry on a timber operation, keep going continuously as the Forest Service endeavors to do under this law, then we intend that Forest Service practices shall apply to this operation.

Mr. METCALF. Would it be right to say that you want to impose on this land the same requirements as all other national forest lands?

Mr. ASPINALL. That is correct.

Mr. METCALF. And when you say you want "to cover the scientific management in perpetuity," that means that you want to have a balance between the annual growth and the annual harvest insofar as it is possible and do that in perpetuity?

Mr. ASPINALL. The gentleman is correct.

Mr. METCALF. I thank the gentleman and thank the gentleman from Pennsylvania [Mr. SAYLOR] for yielding to me so that I could make this inquiry.

Mr. SAYLOR. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am delighted that the gentleman from Montana [Mr. METCALF] asked the question he did, because I think it will do a great deal to clear up questions in the minds not only of Members of Congress but many other people in the country who are interested in what happens to the Klamath Forest. These lands will be held to the same standards of all our national forests.

One of the principal things this bill does, and one of the principal reasons why it should be enacted into law, is that it provides that the Klamath Marsh, which is a part of the Klamath Forest, shall be defined, its boundaries shall be fixed by the Secertary of Agriculture and the Secretary of the Interior; that it shall become a part of the property that is managed by the Department of Fish and Wildlife of the Department of Interior and shall be administered as the Klamath Forest Wildlife Refuge. This is enough to merit the Members of Congress voting for this bill.

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

Mr. SAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Speaker, this is not an Indian bill we are considering today—it is a conservation bill. A conservation bill authorized at the expense of the Klamath Indians.

The history back of this legislation is briefly this: For 40 years the Indian people of the Klamath Indian Reservation have been repeating the cry of Patrick Henry to "give me liberty." The 83d Congress attempted to do just that and passed 68 Stat. 718, which provided for a sale of the timberlands on the reservation to make distribution of the assets of the tribe to those members of the tribe who wished to withdraw from tribal ownership. In order to obtain the best price possible for the Indian people the law provided for sale of the timberlands in reasonably small tracts. The purpose being to provide more spirited bidding and greater revenues for the Indians.

This would have been good except for two things; first, the conservationist groups became alarmed that by selling the timber without cutting restrictions the forests would be "clear cut" and great damage would be done to a large forest area. Secondly, there is on this reservation a great marsh, the famous Klamath Marsh, which is a very fine nesting place for waterfowl and the most valuable flyway along the west coast. This marsh is fed and sustained by waters seeping down the mountainsides through the underbrush and timber cover, gradually feeding it with water throughout the year.

Conservationists envisioned that a clear cutting of the timber would result in waters rushing down the mountainside and into the rivers, destroying or at least reducing the value of the marsh for wildlife.

The result has been a compromise between the conservationists and the Department of Interior which provides that this reservation property shall be sold—not at market price nor at market value, but at what is called a realization value.

Instead of the timber being sold for the best possible cash price, it will be offered for sale in large units. Before a prospective purchaser can place a bid on the property he must submit a plan of cutting the timber on a sustained yield basis. If his plan is approved he is permitted to bid. If his bid is successful he pays cash for his purchase but—if, down through the years he fails to strictly comply with his cutting program to the full satisfaction of some Government forester assigned to that area, title to the property reverts to the United States and he is out.

The bill further provides that in the event no private enterpriser is enterprising enough to risk his cash in such a Government controlled venture, that then the land shall be sold to the United States Government at the so-called realization price and be placed in the national forest. Those of us who are opposed to Government ownership, particularly Government purchase of private property for use and control by the Federal Government, are reluctant to go along with this provision.

But, Mr. Speaker, that I could overlook except for one thing. Who pays for this conservation program? Who pays the difference between the cash value of this land and this forest, and the so-called realization value? Is it the people who benefit from having a fine stand of sustained timber on this land? Is it the people of Oregon or the people of the United States generally? No—Mr. Speaker, it is the Indians of the Klamath Reservation and no one else.

This is the price they are asked to pay for their freedom.

When it comes to the marshland, much of which is desired by the ranchers and stockmen who are members of the tribe and who want to use their settlement moneys to purchase some of this land for their cattle operations, are they permitted to buy their own lands from the tribe?

They are not. The bill provides that the Federal Government shall purchase all of these lands at the appraised realization value and it be turned over to the Division of Fish and Wildlife to be maintained for conservation purposes.

Does anyone imagine that this provision was placed in the bill at the request of the Klamath Indians? Certainly it was not. This is probably the first instance in history where public property is not even offered for sale to the highest bidder. It is probably the only instance where property is taken from individual and tribal owners without thought or consideration of due process. The owners are given no right of appeal to any court. The Congress simply says "You people are wards of the Federal Government and as such we set the value—not the cash value, but the realization value—on your property."

No, Mr. Speaker; who pays for this finest of all waterfowl nesting grounds on the west coast? Who pays for this wonderful flyway? Is it the sportsmen who benefit, is it the people of the Nation generally? No, it is the Klamath Indians.

I do not think there is anyone who opposes maintaining this marsh for wildlife. I do not think there is anyone who opposes proper conservation practices in the maintaining of this forest—but there are many of us who oppose taking it away from the Indians without paying them the actual value of their property and that value is the difference between the appraised or realization price and the price it would bring if sold on the open market without restrictions.

There is another interesting complication in this whole matter. Several years ago the Bureau of Reclamation made a survey of the water storage potential on this reservation. They reported four very good dam sites on this area. Dam sites for power and water on the west coast are becoming limited and are a valuable asset to the area. This value will be lumped in and the Indians will receive nothing for it.

I indicated at the outset that this is not an Indian bill. It is a conservation bill with the Indians being required to pay the difference between the sale value

of their land and property without restrictions and the fire-sale value, called "realization" value.

This is the price the Indians of this reservation are required to pay for their freedom from Government regulation and control. Possibly it is worth it to them, but in my book the price comes pretty high.

Mr. HALEY. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Speaker, the problems facing the Klamath Indian Tribe in Oregon have been actively before the Congress since 1954. The legislation before the House today is an honest attempt to permanently dispose of these recurring problems. It is a joint attempt which has the support not only of the House Committee on Interior and Insular Affairs which has reported out this bill, but also by the Department of the Interior which actively supports this measure.

The urgency of S. 3051 arises from the fact that the 1954 Termination Act created many unforeseen complications of a grave and far-reaching nature. These complications affect not only the Indians who are directly involved, but also the the reservation lands and the entire future of the timber resources found on the reservation lands and the entire economy of the Klamath Basin.

The Klamath Indian Reservation lands consist of 861,125 acres, of which approximately 665,000 acres are classed as commercial timberland. Included in this timbered area are some of the finest stands of ponderosa pine to be found anywhere in the world. In addition, the reservation contains 15,967 acres of marshland which is a major wildlife habitat.

Clearly then, the reservation lands provide one of the great natural resource areas still remaining in this country. The effect of the 1954 Termination Act on these resources would have been disastrous. It would have dismembered the whole reservation, with no restrictions on timber cutting and no thought as to the effect on the economy of the area. "Clear cutting" of the timberlands would have been the inevitable result and, thus, one of America's outstanding resources would have been destroyed.

Mr. Speaker, last year Congress wisely enacted stop-gap legislation to delay the sale of reservation lands for 1 year in order to give to the Department of Interior and Congress an opportunity to formulate a program which would provide a permanent solution to this complex problem. Such a program is presented today in the form of S. 3051 as amended by the House Committee on Interior and Insular Affairs. Under the provisions of this bill sales to private bidders will be allowed. The valuable timberlands will be divided into approximately 10 tracts which will be sold subject to restrictions which will insure scientific timber management. Any of these tracts which are not purchased by private interests will be acquired by the Federal Government at a price that will insure adequate compensation for tribal members. Fringe areas suitable for grazing and farming will be sold to private bidders, with members of the tribe receiving first consideration.

Those Indians who did not elect to withdraw from the tribe—approximately 22 percent—will hold select timber areas which will be placed under trusteeship management. Withdrawing Indians will receive an appropriate share of the proceeds from the sale of the reservation; minors and those Indians judged incompetent will have their funds placed in trusteeship under a competent trust organization which will insure long-term, sound management.

S. 3051 also calls for a review of the appraisal to be carried on by three qualified appraisers or appraisal organizations. This review is to be accomplished by January 1, 1959. Sale of timber units is accordingly delayed until April 1, 1959. However, in order to provide for the pressing needs of the lumber economy of the Klamath Falls area, provision has been made for the immediate sale of noncommercial timber found on the fringe areas of the reservation. In addition, it is anticipated that there will be marketed in the near future, under sound timber management practices, an estimated 93 million board feet of timber from the tract of land which is to be retained by those tribal members who did not elect to withdraw.

Mr. Speaker, this is a sound legislative approach to a complex problem and one whch will provide an equitable solution for all concerned. It is fair to the Indians, protects the economy of the Klamath Basin and insures the wise and perpetual management of the natural resources found on the reservation.

I trust that Congress will give this legislation the full support which I believe it deserves.

Mr. HALEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. HALEY. Mr. Speaker, for many years the Congress has been struggling with the problem of terminating Federal supervision over Indian tribes whose members are ready to manage their own affairs. The Klamath Tribe is one of these. In 1954 we passed an act which provided that the members of this tribe should be allowed to elect whether to stay in the tribe or to get out. It also provided that the tribal assets—the great bulk of which are forest lands—should be divided. Enough were to be sold to pay each withdrawing member of the tribe his per capita share in cash. The rest were to be retained and turned over to the remaining members of the tribe organized as a corporation or in some other form. All of this was to be done and Federal supervision was to be terminated by this fall.

At the time this legislation was passed, some of us were doubtful whether it would work. Others were convinced that it would. I think time has vindicated the doubters.

Back in 1954 it was estimated that perhaps 25 percent of the tribe would vote to withdraw. The market could probably have absorbed a sale of 25 percent of the tribal timberlands over a reasonable time. But now, it turns out, nearly 78 percent of the members want to withdraw and it is clear to all that the market cannot absorb over 500,000 acres of timberland in any short period without disastrous consequences to the Indians themselves, to the lumber industry, and to the whole economy of the Klamath basin in and out of Oregon.

Many of my committee colleagues, and others also, believe that another important factor in the picture is that of maintaining the forest on a scientific management basis. Probably if 25 percent of the forest were sold and 75 percent retained in tribal ownership this would not be an overly serious question. But with the figures reversed, it is a matter of first-rate importance. For 50 years sustained-yield cutting has been practiced in this area. To switch now to clear cutting for 75 percent of the forest would, according to the testimony we received, lead to disastrous consequences not only to the lumber market but also to very many and important downstream interests.

So I come to the bill before us. There was general and widespread recognition that something had to be done. There was great diversity of opinion on what should be done. My personal preference would have been for a simple stop-gap piece of legislation giving more time for consideration of the problems and for disposal of the timberlands instead of the kind we have. But many viewpoints had to be reconciled, and the present bill is the result of much soul searching on the part of all concerned. It came to us first as a measure recommended by the administration. This was somewhat modified in the other body. It has been still further modified in our committee. Perhaps there will be more modifications in conference.

But what the bill boils down to is this:

First. As it comes to the floor the bill provides for a review appraisal of the timber and marshlands held by the Klamath Tribe. This review is to be completed and reported to Congress by next January. There has been so much question whether the appraisal that has already been made includes all elements of value that ought to be considered—water rights, for instance, and minerals as well as timber itself—that we think this review is a must.

Second. The amended bill provides for selling the forest units to private purchasers who agree to manage them so as to furnish a continuous supply of timber. The sale will be on the basis of competitive bids with the so-called realization value of the lands as an upset price. I think it only fair to say that there is no guaranty that the forest units can be sold under these conditions, but it is the administration's recommendation and the Senate's recommendation and our committee's recommendation, so I do no more than mention my personal doubts.

Third. S. 3051 provides for acquisition by the Forest Service of any units that remain unsold to private purchasers. How many there will be, I cannot say. It may be all of them or it may be few. There is, in any event, a $90 million limitation in the bill on what may be

appropriated for the acquisition of these lands and the marshlands that I will mention in a minute. Unless the review appraisal comes up with some radically different figure from what we now have, this amount will be sufficient.

Fourth. The bill provides for acquisition of the Klamath Marsh by the Secretary of the Interior to be maintained as a national wildlife refuge. The price to be paid for these lands—approximately 23,000 acres for $407,000—is a part of the $90 million I have already mentioned.

These are the principal points that need to be mentioned in connection with S. 3051, though it also covers a number of other minor points.

As I said before, the Klamath termination problem has been with us for a long time. This legislation may or may not give the final answer. I am afraid that it may lead to Federal ownership. But at this late date, we have gone the only direction we could, given the administration's and the other body's positions and the conscientious views of my colleagues. If some such legislation as this does not pass, the timberlands will go on the auction block next month. This bill has at least the merit of preserving the status quo until next Congress and, if further consideration has to be given to it then, we will still be open for business.

The SPEAKER pro tempore (Mr. HARRIS). The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING SECTION 31 OF THE ORGANIC ACT OF GUAM

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12569) to amend section 31 of the Organic Act of Guam, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 31 of the Organic Act of Guam (64 Stat. 384, 392; 48 U. S. C., 1952 edition, sec. 1421i), is amended to read as follows:

"(a) The income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in Guam.

"(b) The income-tax laws in force in Guam pursuant to subsection (a) of this section shall be deemed to impose a separate Territorial income tax, payable to the government of Guam, which tax is designated the 'Guam Territorial income tax'.

"(c) The administration and enforcement of the Guam Territorial income tax shall be performed by or under the supervision of the Governor. Any function needful to the administration and enforcement of the income-tax laws in force in Guam pursuant to subsection (a) of this section shall be performed by any officer or employee of the government of Guam duly authorized by the Governor (either directly, or indirectly by one or more redelegations of authority) to perform such function.

"(d) (1) The income-tax laws in force in Guam pursuant to subsection (a) of this section include but are not limited to the following provisions of the Internal Revenue Code of 1954, where not manifestly inapplicable or incompatible with the intent of this section: Subtitle A (not including chapter 2 and section 931); chapters 24 and 25 of subtitle C, with reference to the collection of income tax at source on wages; and all provisions of subtitle F which apply to the income tax, including provisions as to crimes, other offenses, and forfeitures contained in chapter 75. For the period after 1950 and prior to the effective date of the repeal of any provision of the Internal Revenue Code of 1939 which corresponds to one or more of those provisions of the Internal Revenue Code of 1954 which are included in the income-tax laws in force in Guam pursuant to subsection (a) of this section, such income-tax laws include but are not limited to such provisions of the Internal Revenue Code of 1939.

"(2) The Governor or his delegate shall have the same administrative and enforcement powers and remedies with regard to the Guam Territorial income tax as the Secretary of the Treasury, and other United States officials of the executive branch, have with respect to the United States income tax. Needful rules and regulations for enforcement of the Guam Territorial income tax shall be prescribed by the Governor. The Governor or his delegate shall have authority to issue, from time to time, in whole or in part, the text of the income-tax laws in force in Guam pursuant to subsection (a) of this section.

"(e) In applying as the Guam Territorial income tax the income-tax laws in force in Guam pursuant to subsection (a) of this section, except where it is manifestly otherwise required, the applicable provisions of the Internal Revenue Codes of 1954 and 1939, shall be read so as to substitute 'Guam' for 'United States', 'Governor or his delegate' for 'Secretary or his delegate', 'Governor or his delegate' for 'Commissioner of Internal Revenue' and 'Collector of Internal Revenue', 'District Court of Guam' for 'district court' and with other changes in nomenclature and other language, including the omission of inapplicable language, where necessary to effect the intent of this section.

"(f) Any act or failure to act with respect to the Guam Territorial income tax which constitutes a criminal offense under chapter 75 of subtitle F of the Internal Revenue Code of 1954, or the corresponding provisions of the Internal Revenue Code of 1939, as included in the income-tax laws in force in Guam pursuant to subsection (a) of this section, shall be an offense against the government of Guam and may be prosecuted in the name of the government of Guam by the appropriate officers thereof.

"(g) The government of Guam shall have a lien with respect to the Guam Territorial income tax in the same manner and with the same effect, and subject to the same conditions, as the United States has a lien with respect to the United States income tax. Such lien in respect of the Guam Territorial income tax shall be enforceable in the name of and by the government of Guam. Where filing of a notice of lien is prescribed by the income-tax laws in force in Guam pursuant to subsection (a) of this section, such notice shall be filed in the Office of the Clerk of the District Court of Guam.

"(h) (1) Notwithstanding any provision of section 22 of this act or any other provision of law to the contrary, the District Court of Guam shall have exclusive original jurisdiction over all judicial proceedings in Guam, both criminal and civil, regardless of the degree of the offense or of the amount involved, with respect to the Guam Territorial income tax.

"(2) Suits for the recovery of any Guam Territorial income tax alleged to have been erroneously or illegally assessed or collected, or of any penalty claimed to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected, under the income-tax laws in force in Guam, pursuant to subsection (a) of this section, may, regardless of the amount of claim, be maintained against the government of Guam subject to the same statutory requirements as are applicable to suits for the recovery of such amounts maintained against the United States in the United States district courts with respect to the Unied States income tax. When any judgment against the government of Guam under this paragraph has become final, the Governor shall order the payment of such judgments out of any unencumbered funds in the treasury of Guam.

"(3) Execution shall not issue against the Governor or any officer or employee of the government of Guam on a final judgment in any proceeding against him for any acts or for the recovery of money exacted by or paid to him and subsequently paid into the treasury of Guam, in performing his official duties under the income-tax laws in force in Guam pursuant to subsection (a) of this section, if the court certifies that—

"(A) probable cause existed; or

"(B) such officer or employee acted under the directions of the Governor or his delegate.

"When such certificate has been issued, the Governor shall order the payment of such judgment out of any unencumbered funds in the treasury of Guam.

"(4) A civil action for the collection of the Guam Territorial income tax, together with fines, penalties, and forfeitures, or for the recovery of any erroneous refund of such tax, may be brought in the name of and by the government of Guam in the District Court of Guam or in any district court of the United States or in any court having the jurisdiction of a district court of the United States.

"(5) The jurisdiction conferred upon the District Court of Guam by this subsection shall not be subject to transfer to any other court by the legislature, notwithstanding section 22 (a) of this act."

SEC. 2. Income taxes heretofore assessed by the authorities of the government of Guam pursuant to, or under color of, section 31 of the Organic Act of Guam, the collection of such taxes, and all acts done to effectuate such assessment and collection are hereby legalized, ratified and confirmed as fully, to all intents and purposes, as if section 1 of this act (subsections (b) to (g), inclusive, of which are hereby declared to express the true intendment of said section 31 as it was prior to enactment of this act) had then been in full force and effect: *Provided*, That if it shall be judicially determined that, except for the enactment of this act, an assessment or collection of such taxes or an act done or required to be done in order to effectuate such assessment and collection would not, in the particular circumstances of the case, have been lawful under said section 31 as it was prior to enactment of this act, no penalty shall be imposed for failure to have made timely payment of such taxes or to have complied at the prescribed time with a requirement intended to effectuate the assessment and collection thereof, but such penalty shall be imposed for any failure to make payment or to comply which continues more than 60 days from the date of this act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, the purpose of this bill is rather simple; it is to clarify and restate something Congress did in 1951, to restate section 31 of the Organic Act of Guam, and to ratify assessments and collections of income taxes that have heretofore been made by the Guamanian authorities under section 31.

Under the support of that particular section voted by Congress the Internal Revenue Department has been supported by the Judiciary in various decisions. The question has been raised that section 31 did not give the government of Guam authority to assess and collect these taxes, and that, even if it did, many of the taxpayers were exempt under the 1954 section of the Internal Revenue Code.

It boils down to this: If these litigants, who have no judicial decisions behind them at this time, are successful they will be in a position to collect $23 million. That $23 million will not come from Guam; it will come from the Treasury of the United States.

These are people who contend that they should have been exempted under the wording of section 31 from the payment of an income tax. They are mostly construction workers who went over to Guam. If we pass this legislation we will not be imposing a double burden on them; we will be merely collecting or holding what we have already collected from them, the amounts which other people pay in income taxes.

If we do not pass this bill there is a possibility that they will have a bonanza of about $23 million. The continuing effect would be beyond this point, the loss of $3 million a year in income to the government of Guam would mean probably the collapse of the financial structure there. I might say that this legislation was indorsed before our committee by some 5,000 residents of Guam. It is supported by the Governor and as far as I can see all of the officials of Guam.

Mr. SAYLOR. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, when the Organic Act of Guam was debated on the floor of the House, the gentleman from Nebraska [Mr. MILLER] offered the amendment which became section 31. Under that amendment it was the intention, as is shown by the RECORD, that all of the people who live on Guam shall pay an income tax imposed by the Territory of Guam based on the income tax laws of the United States.

Section 31 of the Guam Organic Act has been taken to the courts by several groups and there are several divergent court opinions. If this bill is not passed, it may have the effect of costing the Federal Government as much as $23 million in refund payments and the Territory of Guam as much as $3 million a year in current income. In effect this will mean that these people will escape paying any income tax to Guam or to the United States.

The enactment of this bill will cost the United States Government nothing and will make sure no unjust enrichment occurs to anyone. I urge the Members to support this bill.

Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, the gentleman from Pennsylvania [Mr. SAYLOR] and the gentleman from New York [Mr. O'BRIEN] have brought into perspective the problem involved here; that is, the payment of income taxes in Guam.

I think it was in 1950 when I was in Guam I discovered the construction workers and the people of Guam, who had received increased wages because they were living in that nice climate, were not paying any income taxes of any kind nor any withholding taxes. I came back with a feeling that something ought to be done about it.

The amendment, section 31, to the Guam Organic Act was placed in the legislation on the floor of the House. The amendment had been discussed in committee and it failed, I believe by a tie vote or a very close vote, at that time in the committee.

The House in 1951 wisely decided that the people living on Guam, United States citizens, should pay income taxes just as they do in the other islands. The amendment, while it was drawn by legal experts on tax legislation, apparently was not explained sufficiently on the floor of the House at that time. So, what happened? After it was adopted and taxes had been collected starting in 1952, a group—a very small group I may say—of construction workers on the island decided there was a loophole in the law and they got hold of a sharp attorney.

Because the amendment was not drawn as carefully as it might have been drawn or not explained in the legislative handling of the bill as thoroughly as it might have been, there was some question about whether they should have paid $23 million in taxes. So, we are trying to make it crystal clear today that when we adopted section 31 in 1951 to the Organic Act of Guam, it was the intention of the Congress that United States citizens living on Guam should be subject to the same income taxes as they are subject to here in the United States. I hope that the legislative explanation of this amendment here today will be sufficient to convince any court that there is no doubt in the mind of Congress relative to what they intended to do in 1951.

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

Mr. MILLER of Nebraska. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Now, as I understand, what the gentleman has been telling us is that American citizens living on Guam, earning their income on Guam, pay income tax, but that income tax goes to the government of Guam and not to the Government of the United States; is that correct?

Mr. MILLER of Nebraska. I think that is correct.

Mr. ASPINALL. That is correct.

Mr. SCRIVNER. That is the understanding I had, and that was part of the basic philosophy which I expressed some time ago when I made the suggestion that we could cure many of our problems within our various States if we would just permit as little as 1 percent of the Federal income to remain in that State. And, I was disputed on my statement. I pointed out that Americans living on Guam and working on Guam paid income taxes and that 100 percent of it stayed on the island of Guam. And, I am glad to have confirmation of that fact.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXTENDING PROGRAMS UNDER PRODUCTION AND PURCHASE ACT

Mr. ROGERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3186) to extend for 1 year certain programs established under the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956.

The Clerk read as follows:

Be it enacted, etc., That section 5 of the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 is amended by inserting before the period a semicolon and the following: "except that the programs established under subsections (b) and (c) of section 2 shall terminate on December 31, 1959."

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, I yield myself such time as I may require.

Let me point out, first, that although there are several minerals listed in the title of this act, tungsten, asbestos, fluorspar, and columbium-tantalum, only two are affected by this act, asbestos and fluorspar. What happened is this. Under the Purchase Act of 1956, which was passed in the late days of the 84th Congress, the GSA did not set up their purchase program of fluorspar until late in September, and the result was that the amount of fluorspar and the amount of asbestos that was authorized to be purchased under that act has not been purchased, and it appears at the present time that unless the act is extended for a year insofar as asbestos and fluorspar are concerned it will expire without the people getting the benefit of the Purchase Act as was intended in the first instance.

Now, it does not involve any additional cost to the Government. It does not involve any additional employees. It does nothing in the world but just extend the time to permit the carrying out of the purposes of the act that was passed

in 1956, with relation to asbestos and fluorspar.

Mr. SAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I should like to ask the gentleman from Texas a question, whether or not all of the funds that were appropriated for this program which were not used by the 30th of June 1958, have already reverted to the Treasury?

Mr. ROGERS of Texas. As I understand it, they have not, because they have been obligated. Whether that is true or not, I do not know. But actually I say that it makes very little difference for the simple reason that the authority that was granted under the purchase act in the first instance has not been fully complied with as was intended by Congress at that time with respect to fluorspar.

Mr. SAYLOR. And for any further purchases it will require an appropriation; is that correct?

Mr. ROGERS of Texas. The funds were appropriated to do it. If further funds are required to be appropriated they will simply be a replacement for those that reverted to the Treasury and no more will be required.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Speaker, I thank the distinguished gentleman from Texas [Mr. ROGERS] for yielding to me to speak in behalf of S. 3186. This bill will extend for 1 year the Government program for the purchase of asbestos and fluorspar. The fluorspar mines of southern Illinois have been experiencing undue hardship due to the foreign importation of cheap labor producing fluorspar from Mexico. Many mines were forced to close, forcing hundreds of miners out of work. In addition, this country was about to lose a product that is vital to national defense. This Congress recognized the need to help this small but vital industry, so a defense minerals stockpile program was inaugurated. The program to stockpile acid grade fluorspar has been under way for several months and has been of great help to this vital industry. This bill merely extends that program for 1 additional year. I had the privilege of introducing a House bill identical to the Senate measure before us today, and in that connection I want to thank the distinguished gentleman from Texas [Mr. ROGERS] and the other members of the committee for their keen understanding of our problem and for their forthright efforts in bringing this and other legislation to the floor for action. I hope this bill will pass by an overwhelming majority in order that an industry so vital to this country can continue to survive.

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

Mr. ROGERS of Texas. I yield to the gentleman.

Mr. BALDWIN. Can the gentleman explain to the House what the purpose is from the standpoint of the Government acquiring these at the present time? Is there a need for them as far as the Government is concerned?

Mr. ROGERS of Texas. There are several needs. As a matter of fact there is one situation that might be called a stockpile need from the standpoint of defense. Then there is another situation. You have an economic need. As everyone knows, many of the minerals people have been in a distressed situation. Part of the purpose of the Purchase Act of 1956 was to help take care of the situation. Unless we do this, the very purpose that was sought to be accomplished in the first place will not be accomplished. I will say this to the gentleman, that fluorspar is becoming increasingly important every day in view of our move into the missile or the space age.

The SPEAKER pro tempore (Mr. HARRIS). The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AUTHORIZING THE MAKING, AMENDMENT, AND MODIFICATION OF CONTRACTS TO FACILITATE THE NATIONAL DEFENSE

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12894) to authorize the making, amendment, and modification of contracts to facilitate the national defense, as amended.

The Clerk read as follows:

Be it enacted, etc., That the President may authorize any department or agency of the Government which exercises functions in connection with the national defense, acting in accordance with regulations prescribed by the President for the protection of the Government, to enter into contracts or into amendments or modifications of contracts heretofore or hereafter made and to make advance payments thereon, without regard to other provisions of law relating to the making, performance, amendment, or modification of contracts, whenever he deems that such action would facilitate the national defense.

SEC. 2. Nothing in this act shall be construed to constitute authorization hereunder for—

(a) the use of the cost-plus-a-percentage-of-cost system of contracting;

(b) any contract in violation of existing law relating to limitation of profits;

(c) the negotiation of purchases of or contracts for property or services required by law to be procured by formal advertising;

(d) the waiver of any bid, payment, performance, or other bond required by law;

(e) the amendment of a contract negotiated under section 2304 (a) (15), title 10, United States Code, or under section 302 (c) (13) of the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377, 394), to increase the contract price to an amount higher than the lowest rejected bid of any responsible bidder; or

(f) the formalization of an informal commitment, unless it is found that at the time the commitment was made it was impracticable to use normal procurement procedures.

SEC. 3. (a) All actions under the authority of this act shall be made a matter of public record under regulations prescribed by the President and when deemed by him not to be incompatible with the public interest.

(b) All contracts entered into, amended, or modified pursuant to authority contained in this act shall include a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts.

SEC. 4. (a) Each department and agency acting under authority of this act shall, by March 15 of each year, report to Congress all such actions taken by that department or agency during the preceding calendar year. With respect to actions which involve actual or potential cost to the United States in excess of $50,000, the report shall—

(1) name the contractor;

(2) state the actual cost or estimated potential cost involved;

(3) describe the property or services involved; and

(4) state further the circumstances justifying the action taken.

With respect to (1), (2), (3), and (4), above, there may be omitted any information the disclosure of which would be detrimental to the national security.

(b) The Clerk of the House and the Secretary of the Senate shall cause to be published in the CONGRESSIONAL RECORD all reports submitted pursuant to this section.

SEC. 5. This act shall be effective only during a national emergency declared by Congress or the President and for 6 months after the termination thereof or until such earlier time as Congress, by concurrent resolution, may designate.

The SPEAKER pro tempore. Is a second demanded?

Mr. ROBSION of Kentucky. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Speaker, I want to say to this body now that in my humble judgment this is "must" legislation. It is designed to revive title II of the World War Powers Act, which expired on June 30, 1958. In other words, what I am trying to say now is that we do not have any of these powers that were incorporated into the War Powers Act and have not had any since the 30th day of June of this year. Our military and our contracting agencies are stymied until this legislation is passed by this House, sent over to the other body with the greatest dispatch, and acted upon over there.

Mr. Speaker, briefly, this legislation is the type legislation that this Congress found in 1941, when we were engaged in World War II, was absolutely indispensable to the national defense. It was provided there that this legislation would continue through the national emergency up to a certain time.

We know that in 1951, when we got into war over in Korea, this legislation had to be revised again, and it has been revised on an annual basis from that time until now.

The only difference in this legislation submitted on the floor today and the legislation which previously comprised title II of the War Powers Act is that in this legislation it is made more strict; in other words, last year when this legislation went before the Senate to be renewed on an annual basis the Senate asked the Department of Defense if they could not come up with permanent legislation, and made some recommendations of a restrictive nature which they said they would like to have incorporated therein.

Last year that was taken care of by rules, but in this legislation it is being taken care of by being incorporated therein.

As I say, it is absolutely essential that this legislation be passed. For instance, the Government just simply must have the right to assure our contractors that it will indemnify them against some losses that might occur, in the missile field and in the satellite field particularly. While we do not know just exactly how grave the damages are, we find ourselves in a situation where contractors and builders just simply will not enter into these programs unless the Government tells them it is going to protect them against some unforeseen result.

One of the witnesses over there likened this situation to the Texas City disaster, where it was said on that occasion it was not supposed to happen but it did happen, and, of course, there was a several billion-dollar loss there. That is what our Government is facing. They have to have the opportunity to give those indemnifications, particularly in the missile field, the satellite field, the building of submarines, and the building of ships, and have the right to modify and make more of these contracts equitable.

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

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

Mr. CELLER. Is it not true also that all this bill does is give the President, or the Congress, really, standby powers? These are not absolute powers, they are only powers that can be exercised in the event of a declared emergency.

Mr. FORRESTER. That is exactly right, but it puts us where we have it instead of coming to Congress to get it. Of course, you know, we might need it at a time when Congress would be at home.

Mr. CELLER. We pass these bills year in and year out without let or hindrance, without remonstrance of any sort. All we do now is obviate the necessity and need of coming back to this House repeatedly for the same authority. We have hedged this around with all manner of proper conditions so that the powers granted in it cannot be abused.

Mr. FORRESTER. The gentleman is absolutely correct.

There have been five annual extensions. I should like also to say to this body that Subcommittee No. 4 made an earnest effort to discover how this legislation had been working over the years. I believe I bespeak the sentiments of the entire Subcommittee No. 4 when I say that the gentlemen who have been handling this legislation have done unusually well. I do not mean to tell you that there have not been one or two mistakes, because there are always going to be some mistakes as long as we are human beings, but on the other hand it has worked fine and has given the relief and benefits to this country that we simply cannot afford not to have.

Mr. ROBSION of Kentucky. Mr. Speaker, I was acting chairman of the subcommittee which handled this legislation in the 83d Congress, and have been the ranking Republican on the subcommittee which has handled it in the last two Congresses.

This contracting authority originated in the first War Powers Act of 1941 and was used extensively during World War II. It was revived in 1950 and has been extended five times since 1950. It is now in operation during this period of emergency. All this bill does is to give permanent authority to do during a period of national emergency what the Congress has done year after year by temporary legislation. The Judiciary Committee on several occasions in connection with renewal of the emergency act has held hearings and has gone into the matter quite thoroughly. It is my own observation that the Department of Defense and the other agencies involved have done a very good job of administering the powers granted under the act and have been very, very cautious about taking advantage of the unusual powers that are provided by the act. As a matter of fact, as I stated, this legislation has been before the Congress on many occasions and we have consistently approved it. Today, in attempting to make the legislation permanent, we have to a certain extent restricted the authority which has heretofore been exercised by the Department of Defense. The legislation came out of our subcommittee unanimously and I favor it and think it should be enacted.

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

Mr. CURTIS of Missouri. Mr. Speaker, I have aked for this time because I am somewhat concerned about making this authority permanent. I might state that at the present time the Committee on Ways and Means of which I am a member is holding hearings on the extension of the renegotiation act which covers a very similar field, which has to do with military procurement and supply. The reason I am disturbed about this is that this is supposed to be an exception to our normal procedures for procurement. The point has been made in the committee report, and I notice the chairman made the point also, that these are more or less standby powers and are only to be applied in times of emergency. But, I would say this and I ask the chairman, is it not true that this particular legislation would be applicable today?

Mr. CELLER. Yes, we are in a national emergency now and these particular powers expired a few days ago.

Mr. CURTIS of Missouri. Yes; I appreciate that.

Mr. CELLER. We are in a sort of hiatus now.

Mr. CURTIS of Missouri. Yes, that is right.

When we started these powers and when we first began to make exception to our normal method of Federal procurement, we were not experienced. We had very little experience, I might say, in mass procurement to the extent that we have today. This procurement situation has been in effect for 18 years. I think the results of 18 years of experience in military procurement and supply would indicate that we ought to be amending the laws, the basic Federal laws in regard to contracting and procurement, rather than making exceptions. That is the thing that worries me here. Why is it that the committee instead of taking this method of making this legislation permanent, has not gone to our basic and permanent laws that control our procurement and contracting and so on to amend this in the light of our 18 years of experience?

Mr. CELLER. That would take a long time to get at those things to which the gentleman has referred, until we can have an opportunity to examine separately all of these important statutes. Meanwhile we are in this predicament that we have got ourselves into now. I think this particular bill now before us, even after 18 years' experience which you have said, requires flexibility. The committee is trying to get over this difficulty until we have had an opportunity to examine more minutely and fundamentally the various statutes the gentleman has mentioned. We could then take those up and amend them. Meantime we have a rather world-shaking situation confronting us now. We are going to adjourn soon, I hope. We have none of those standby war powers which the President wants, and I think we should grant those powers.

Mr. CURTIS of Missouri. I think the gentleman is making a very good case for the further extension of those powers, but he is really arguing against the case of making this permanent. I would suggest that what we do is extend this on a temporary basis, and then when the great Judiciary Committee has time, next year or the following year, certainly it seems to me the orderly way to go about this is to review our basic contracting procedure and modernize this. So I suggest we are probably going on in the future in a cold-war state and we should have our contracting authorities and procedures based upon modernization rather than an exception. In fact, that is the very argument that is being advanced in the extension of the Renegotiations Act, which our committee is going to extend on a temporary basis, in the hope that we can get around to considering what should be our permanent laws in regard to renegotiation. If the Congress will take the trouble of going into our methods of procurement it will find an area for vast savings. The military has developed some interesting techniques which might well be made into permanent law. But I think the Congress needs to look at them.

One other point. I notice in the hearings there were only two private groups who testified. Both of them were from the aircraft industry. I notice that the Small Business Administration was not asked to comment in this area. Yet they

are constantly involved in this question of military procurement and supply, particularly procedure. I would think that their testimony would be very important in knowing how we want to have the legislation permanently made. I might say I did not take the time to in any way try to defeat this measure. I will vote for it because I realize there is not too much difference between permanent and temporary extension. But I do want to call the matter to the attention of the House, and I hope the Judiciary Committee would go over the permanent procedures we have with the idea of getting those into line and modernizing them, rather than having our permanent law here, and then these extensions.

Mr. CELLER. We do not have very broad jurisdiction, because most of these matters would come under the Armed Services Committee. We have sought to modernize as much as we can. I am very appreciative of the gentleman's attitude. It is very profound and very constructive, and we will watch his suggestions as best we can.

Mr. CURTIS of Missouri. That is one of the difficulties we have when the Ways and Means Committee has one aspect of the matter and you all have it here as far as these powers are concerned. The Small Business Committee sees it from another angle and the great Armed Services Committee sees it from their angle. Our Committee on Appropriations for Government Operations sees it from another angle. Somehow I think we ought to coordinate this so that the procedures we do have that are permanent procedures for the making or modifying of contracts be in accord and be the best we can devise. I thank the gentleman.

Mr. ROBSION of Kentucky. Mr. Speaker, there seems to be considerable misunderstanding in the minds of some, including perhaps the gentleman from Missouri, about the necessity for this legislation. Of course, we should always be striving to improve our methods of procurement and the making of Government contracts, especially defense contracts. But there will always be a field where legislation such as this will be needed to take care of unusual situations that will arise in providing for the weapons for national defense. I will give you one example, that of a contract to build a ship. Suppose you get half through the construction of the ship and something goes wrong, perhaps through bad management, perhaps through something unavoidable; nevertheless, the shipyard finds that it cannot continue under the terms of the contract and complete the ship. The question then arises whether or not the Defense Department should rescind the contract, sue the contractor for damages, and take the ship over to some other yard for completion. But, of course, it cannot work that way. As a practical matter, national defense would require the ship to be completed in that yard, even though it might require the renegotiation of the contract. Writing new laws relating to Government contracts will not take care of a situation such as this. The Defense Department must have the special powers provided by this legislation, where, under the supervision of Congress, they would have leeway to go ahead and get the ship completed, even if, unhappily, in some instances it would require more money.

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

Mr. ROBSION of Kentucky. I yield.

Mr. McDONOUGH. In other words, the gentleman is informing us that there are many contracts such as contracts for aircraft, to which it applies, missile construction, rockets, as well as shipbuilding.

Mr. ROBSION of Kentucky. Yes.

Mr. McDONOUGH. And anything of a material nature in the way of interruption of the original time element in the contract that is beyond the control of the contractor and not anticipated at the time the contract was made could be taken care of.

Mr. ROBSION of Kentucky. The gentleman is exactly correct.

Mr. McDONOUGH. Then as a result of those interruptions where there is a change in the status in the obligation of the contractor and the Government, the only way it can be arrived at fairly is by negotiation, and it is negotiated even because of unnecessary interruption, whatever the cause may be.

Mr. ROBSION of Kentucky. Yes. Now, there are several reasons why you need this legislation. For example, sometimes the Government must renegotiate a contract without legal consideration, such as in the completion of ships, the case that I mentioned; secondly, there are instances of mutual mistakes that must be corrected in these large and extremely complicated defense contracts; thirdly, of course, you have peculiar situations which must be met from time to time in large defense programs where existing statutory authority is inadequate.

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. NIMTZ].

Mr. NIMTZ. Mr. Speaker, as a member of the subcommittee that heard the testimony on this legislation, I want to concur in the remarks of the chairman of the full committee, the gentleman from New York [Mr. CELLER], and the chairman of the subcommittee, the gentleman from Georgia [Mr. FORRESTER]. I want to commend also my colleague, the gentleman from Missouri [Mr. CURTIS], on his questions and his concern, because we know of his desire for economy in Government and how thorough he is in the consideration of all matters of legislation that are before us. However, as the chairman of the subcommittee said, this matter did come from the subcommittee unanimously and in the belief of the subcommittee that this legislation should be made permanent.

Without detracting from the glory of the other body, the bill that came from the Committee on the Judiciary last year was for an extension for 1 year only. It was the belief of the committee that we should consider this matter on the basis of its being permanent legislation. So a good deal of the work has been done by the subcommittee in studying this field of legislation this past year.

One point I would like to make to the gentleman from Missouri and to the Members of the House is that we have added here a provision for publicity in regard to these payments. I would like to call your attention to section 4 of this bill, which reads as follows:

SEC. 4. (a) Each department and agency acting under authority of this act shall, by March 15 of each year, report to Congress all such actions taken by that department or agency during the preceding calendar year. With respect to actions which involve actual or potential cost to the United States in excess of $50,000, the report shall—

(1) name the contractor;

(2) state the actual cost or estimated potential cost involved;

(3) describe the property or services involved; and

(4) state further the circumstances justifying the action taken.

With respect to (1), (2), (3), and (4), above, there may be omitted any information the disclosure of which would be detrimental to the national security.

(b) The Clerk of the House and the Secretary of the Senate shall cause to be published in the CONGRESSIONAL RECORD all reports submitted pursuant to this section.

As the chairman of the subcommittee has stated, there have been no outstanding bad actions under the legislation to date. Sure, some mistakes have been made, but we feel that all in all it has been for the national defense. We feel with this added safeguard of publicity that this bill as now drawn should pass.

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

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

Mr. GROSS. Does the gentleman think that section 3 (a) on page 2 circumscribes the language on page 3, section 4 (a)?

Mr. NIMTZ. It is my belief that information could be given concerning the amounts of money paid and to whom paid, as required by section 4, although the President might believe that it would be incompatible with the public interest to make all actions under authority of this act a matter of public record.

Mr. GROSS. Is not section 3 (a) in conflict with section 4 (a) for the purposes for which section 4 (a) is intended? Section 3 (a) gives the President the right to withhold information that he deems incompatible with the public interest.

Mr. NIMTZ. There might be some provisions in regard to these contracts that would be secret in nature because of types of missiles, changes in construction of atomic-powered submarines or cruisers, or changes in plans and specifications concerning other types of research or weapons that, because of matters of national defense, we would not want publicized and made available to those forces that are opposed to us. Thus I believe that amounts paid under the provisions of this bill could be made public, as well as to whom paid, but that the President might determine that it would be incompatible with the public interest to release certain scientific data, engineering data, or changes of specifications concerning the construction of weapons or other defense items.

Mr. Speaker, the contracting authority embodied in this bill originated in the First War Powers Act of 1941—55th Statutes at Large, page 838. That act by its terms was limited to the period

of World War II, but title II, which contained the authority to exempt defense contracts from other provisions of law governing Government procurement, was revived in January 1951 for the period of the national emergency proclaimed by the President on December 16, 1950 "or until such time as the Congress by concurrent resolution or the President may designate, but in no event beyond June 30, 1952." However, the 82d Congress extended the termination date to June 30, 1953—Public Law 826, 82d Congress. Similar extensions were twice granted by the 83d Congress—Public Law 97 and Public Law 443, 83d Congress—a 2-year extension was granted by the 84th Congress—Public Law 58, 84th Congress—and a 1-year extension expiring June 30, 1958, was granted by the 85th Congress—Public Law 306, 85th Congress. These extensions were in recognition of a continued need for such authority during the period of international unrest and heavy defense spending which characterized those years.

In view of our current military involvement in the Middle East and its potential demands on our entire defense system, it would seem that considerations which justified previous extensions are even more potent today. Furthermore, there is no likelihood that American military commitments and consequent large-scale procurement will diminish in the foreseeable future. Under these circumstances it would not appear realistic or sound legislative policy to require the executive departments to renew their requests to Congress each year for an extension which has been invariably granted in the past and which would appear to be justified in the future so long as the conditions productive of a national emergency continue to exist and so long as the legislation is properly administered by the departments and agencies concerned. This committee, therefore, has welcomed and recommends to the House the proposal of the Department of Defense to enact as permanent legislation, effective during a period of national emergency, the provisions of title II with certain additional restrictions which would prevent the occurrence of unjustified deviations from normal procurement law.

The grant of contracting authority under H. R. 12894 is substantially the same as that in title II of the First War Powers Act. It permits the President to authorize any department or agency exercising functions in connection with the national defense: First, to enter into contracts, or second, to enter into amendments or modification of contracts, or third, to make advance payments without regard to other laws relating to Government contracts whenever the President determines that such action will facilitate the national defense.

This broad power is designed to provide the flexibility required by the Government to deal with the variety of situations which will inevitably arise in a multi-billion-dollar defense program and for which other statute authority is inadequate. By providing means for dealing expeditiously and fairly with contractors, the enactment of this bill will help assure that vital military projects will proceed without the interruptions generated by misunderstandings, ambiguities, and temporary financial difficulties.

Under title II the effectuation of these purposes has resulted in contract actions which generally have fallen into a number of categories and it is believed that these will continue to make up a large percentage of the actions which would be taken under the authority of this bill.

The first of these classifications is amendments without consideration. Situations have arisen where an actual or threatened loss on a defense contract would so have impaired the financial condition of a contractor whose existence was deemed essential to the national defense that without some form of assistance from the Government his productive capacity might be lost. The result would be default proceedings, reprocurement at higher cost, and the loss of valuable time. Confronted with these problems, it has often been in the Government's interest to raise the contractor's price, although it has had no legal obligation to do so. This has been accomplished by an amendment without consideration, for which there was no authority outside of title II.

A subcategory within this classification would be amendments without consideration to provide relief for defense contractors where losses have resulted from inequitable action of the Government toward a particular contractor. Although the contractor in some of these cases might have properly refused to proceed with a contract or have had recourse to law, title II provided an administrative remedy which encouraged the contractors to continue performance.

A second classification is that of mutual mistake.

In a military procurement program as large as that in which we have been engaged, some mistakes in entering into contracts by both the Government and the contractors are inevitable. It may take the form of a mutual mistake as to a material fact; it may be a failure to express in the written contract the agreement as both parties understood it; or it may be a mistake on the part of the contractor which is so obvious that it was or should have been apparent to the contracting officer. The assurance to contractors that unavoidable mistakes and ambiguities of this kind will be fairly and expeditiously corrected is a most significant factor in securing uninterrupted performance and cooperative sources of supply. This is another form of relief which has developed under title II.

A third category of cases has required the formalization of informal commitments. A considerable number of situations have arisen in which persons have furnished material or services without a formal contract, relying in good faith upon the apparent authority of officers or employees of the Government. Most frequently, this has occurred in the form of changes to existing contracts by technical or other personnel rather than by authorized contracting officers acting through normal contracting procedures. Frequently, too, such informal commitments were the result of a desire to prevent the delay in a project which accompanies normal procurement methods. As a result, frequently the Government finds itself in a dilemma. On the one hand it benefits from the materials received or services rendered by a contractor acting in good faith, but on the other there is a need for maintaining a policy of contracting only by authorized personnel through authorized procedures. In permitting administrative formalization of informal commitments which were made because it was impracticable at the time to utilize normal procurement procedures, this bill presents a desirable solution of those competing interests. In doing so it continues, with some restrictions, the formalization policy developed under title II.

A fourth category which was specifically authorized in both title II and in this bill is the making of advance payments. Such specific authorization is required by section 3648 of the Revised Statutes (1873) as amended—title 31, United States Code, section 529, 1952—which provides in part that "No advance of public money shall be made in any case unless authorized by the appropriation concerned or other law."

Under the Armed Services Procurement Act—see title 10, United States Code, section 2307—and section 305 of the Federal Property and Administrative Services Act of 1949—title 41, United States Code, section 255—advance payments are authorized only in negotiated contracts. This bill is necessary to enable the making of advance payments on contracts entered into through formal advertising.

Advance payments have been found an effective means for rendering financial assistance to contractors where the nature of the contract requires large expenditures by the contractor prior to delivery and payment by the Government. Advance payments are essentially loans to the contractor not exceeding the contract price and as such the Government's interest should be protected by adequate security. Both title 10, United States Code, section 2307, and section 305 of the Federal Property and Administrative Services Act require such security, and it is assumed that the departments will maintain a similar requirement in future actions under this bill.

It should be noted that in eliminating the specific authority for progress payments which had been contained in title II, the committee has no intention of preventing procurement agencies from making progress payments. The language was omitted from the Defense Department bill as unnecessary and the committee concurs in this view. Progress payments are unlike advance payments in that progress payments are made only to the extent of performance of a contract and in that the Government takes a property interest in the material. Advance payments, on the other hand, are made prior to performance. Since section 3648 of the Revised Statutes prohibits only advance payments or payments in excess of the value of articles delivered or services rendered, there would appear to be no prohibition against the making of progress payments by the

Government, and therefore the Government may enter into such agreements in carrying out its procurement functions without additional statutory authority—see *Detroit* v. *Murray Corporation* (355 U. S. 489, 517, footnote).

The flexibility authorized by this bill has been used in the past under title II to extend the time of performance on contracts and to waive liquidated damages provisions. Considering the complex, highly technical nature of many military purchases and the pressure frequently exerted to obtain the earliest possible delivery date, the most efficient contractors may find themselves unable to meet the performance date. Engineering and production difficulties inherent in producing a new or intricate item, temporary unavailability of raw materials or components, changes in specifications without changes in performance date—any or all of these may prevent a reliable, efficient supplier from performing on time. The committee believes that defense procurement agencies should be allowed the discretion to extend the time of performance and to waive liquidated damages in meritorious cases. The committee, however, is of the view that in acting upon requests of this kind the Government should consider not only fairness to the contractor but also the fairness of such extensions or waivers to unsuccessful competitive bidders.

One of the most significant developments under title II has been use of that authority as a basis for indemnity provisions in certain contracts. Based on the broad language of that act, the authority would be continued under this bill. The need for indemnity clauses in most cases is a direct outgrowth of military employment of nuclear power and the highly volatile fuels required in the missile program. Because of the magnitude of the risks involved, commercial insurance policies are either unavailable or provide insufficient coverage. Testimony before a subcommittee of the House Judiciary Committee by representatives of the military departments indicated that contractors were therefore reluctant to enter into contracts involving the risk of a catastrophe without an indemnification provision.

Although the military departments have specific statutory authority to indemnify contractors engaged in research and development, this authority does not extend to production contracts—title 10, United States Code, section 2354. Nevertheless, production contracts for items like nuclear-powered submarines and missiles, although not considered especially hazardous, still give rise to the possibility of an enormous amount of claims. The Department of Defense and the committee believe, therefore, that to the extent that commercial insurance is unavailable, the risk of loss should be borne by the United States. Similar authority was granted to the Atomic Energy Commission by Congress last year in the Price-Anderson Act—Public Law 85–177.

Although this bill makes broad powers available to defense procurement agencies, section 2 of the bill establishes a number of restrictions on the exercise of those powers. Two of those restrictions—subsections (a) and (b)—were contained in title II and prohibit the use of this authority as a basis for cost-plus-a-percentage-of-cost system of contracting or of contracts in violation of existing law relating to the limitation of profits.

Most significant of the other restrictions are subsection (f), which has been discussed previously, and subsection (c), which precludes using this legislation as authority for negotiating procurements which would otherwise be required to be made by formal advertising.

Subsection (d) provides that the act is not to be construed to constitute authorization for the waiver of any bid, payment, performance, or other bond required by law.

Subsection (e) provides that the act is not to be construed to authorize an amendment which would increase the contract price to an amount higher than the lowest rejected bid, where that contract was originally negotiated because of a determination that bid prices received after formal advertising were unreasonable or were not arrived at independently.

While these restrictions will preclude departments and agencies acting under this legislation from entering into certain specified agreements, the legislation, if it is to fulfill its purpose, must remain broad and as such the effectiveness and propriety of its operation is largely dependent upon the regulations and procedures by which it is administered. The subcommittee which initially acted upon this bill had this very much in mind during the hearings. Because the military departments have used title II powers more extensively than other agencies, particular attention was given to the regulations and the administrative procedures which they employed under title II and which would control the operation of this act in those departments. The committee has found no reason to object to the manner in which title II has been generally administered by the military departments and believes that the proposed legislation will be effectively and properly administered. However, because these powers may be abused and because of the enormous contingent liabilities which can be contracted under indemnification provisions, the committee believes that some review by Congress is desirable. Since this bill would enact permanent legislation, effective during periods of national emergency, there will no longer be the periodic Congressional reviews which previously accomplished the annual extensions of title II. However, the information relating to the operation of the law which was gained at those times can be obtained by requiring annual reports to the Congress. By further requiring that those reports be published in the CONGRESSIONAL RECORD, the Congress as a whole and the public will be able to assess the administration of the act and can make such amendments as are required from time to time.

The committee believes that the bill, as amended, provides adequate safeguards to the public purse and at the same time allows the flexibility necessary for an efficient and fair procurement program for our national defense.

Mr. Speaker, I urge favorable consideration of this legislation.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. CELLER. Mr. Speaker, H. R. 12894 enacts into permanent law, with certain significant restrictions, contracting authority now contained in title II of the First War Powers Act. Under the terms of title II, the authority granted therein was to be effective during the national emergency proclaimed by the President in 1950, or until such earlier time as the Congress, by concurrent resolution, or the President may designate, but in no event beyond June 30, 1952. This was extended annually, and sometimes biennially, to June 30, 1958, and has now expired. The authority granted in H. R. 12894, although permanent law, will be on a standby basis effective only during a national emergency declared by Congress or the President and for 6 months after the termination thereof.

This bill provides that the President may authorize a department or agency of the Government which exercises functions in connection with the national defense effort, to enter into contracts or into amendments or modification of contracts, and to make advance payments thereon without regard to other provisions of law relating to contracts whenever the President determines such action would facilitate the national defense. However, the bill also contains certain restrictions not presently contained in title II of the First War Powers Act. Thus, it provides that the authority granted by this bill shall not be construed to constitute authorization for, first, the negotiation of purchases or contracts required by law to be procured by formal advertising; second, the waiver of any bid, payment, performance, or other bond required by law; third, the amendment of certain contracts so as to increase the contract price to an amount higher than the lowest rejected bid of a responsible bidder. Such increases could not be awarded in the case of negotiation after rejection of advertised bids pursuant to law; and fourth, the bill precludes the formalization of an informal commitment, unless it is found that at the time the commitment was made it was impracticable to use normal procurement procedures.

The purpose of this legislation is to provide a flexibility not present in normal contracting authority which will allow the Government to protect its interests in defense procurement, and also to deal equitably with contractors where it is also in the interest of the defense effort.

Carrying out this basic purpose has required the execution of certain types of contractual actions which the procurement agencies would not have legal authority to do without the authority granted in this bill. These include amendments without consideration, the correction of mutual mistakes, and the formalization of informal commitments. It should be stressed that before the Government may enter into any such agreements it must be found that that agreement would facilitate the national defense.

Title II has also been used as a basis for including indemnity provisions in contracts involving otherwise noninsurable risks. This problem is particularly acute in the nuclear reactor and missile programs. Because of the unusual hazards associated with nuclear reactors and high explosive fuels, contractors are subjected to the possibility of damage claims far exceeding available insurance coverage. This bill would permit the Government to enter into indemnification agreements. These agreements are normally for the risk in excess of that available from private insurance sources. Indemnification authority was also used in connection with the airlift by commercial planes of troops and supplies to Korea in the early days of that conflict.

Since it is impossible to draft legislation which will cover every conceivable situation perfectly and at the same time provide the necessary flexibility, much depends upon the administration of the act. In the hearings before the subcommittee considerable attention was given to that aspect of the problem. Regulations of the Defense Department require explicit statements and findings before this authority may be exercised. Individual contracting officers may deny requests, but approval can only come from higher authority. Where the amount is below $50,000, it may be approved by the head of a procuring agency, e. g., Office of Naval Research, Signal Corps Procurement Agency, Bureau of Ships. Approval of requests over $50,000 must go to the contract adjustment board of the military department involved.

In this respect it should be noted that the General Accounting Office testified that their last examination of the activities of these boards showed their decisions to be reasonable in relation to their authority and objectives. The General Accounting Office, therefore, indicated that it had no objection to the enactment of this bill.

Since the Department of Defense is by far the greatest user of the powers authorized in this legislation, the committee gave its most extensive consideration to the operations and the needs of the Department of Defense. However, the authority provided in this bill may also be made available to other Government agencies and in the past, under the First War Powers Act, the President authorized agencies like the Atomic Energy Commission, the Federal Civil Defense Administration, the Department of Commerce, and others, to employ this authority.

Considering the international situation in which we now find ourselves, and the likelihood of very large defense procurement spending for many years to come, I believe that this legislation is both necessary and desirable, and I commend it to the House for its favorable consideration.

CZECHOSLOVAKIAN CLAIMS FUND

Mr. MORGAN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3557) to amend the International Claims Settlement Act of 1949, as amended (64 Stat. 12).

The Clerk read as follows:

Be it enacted, etc., That the International Claims Settlement Act of 1949, as amended, is further amended by adding at the end thereof the following:

"TITLE IV

"Claims against Czechoslovakia

"SEC. 401. As used in this title—

"(1) 'National of the United States' means (A) a natural person who is a citizen of the United States, or who owes permanent allegiance to the United States, and (B) a corporation or other legal entity which is organized under the laws of the United States, any State or Territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. It does not include aliens. (2) 'Commission' means the Foreign Claims Settlement Commission of the United States, established, pursuant to Reorganization Plan No. 1 of 1954 (68 Stat. 1279). (3) 'Property' means any property, right, or interest.

"SEC. 402. (a) The Secretary of the Treasury is directed to hold, in an account in the Treasury of the United States, the net proceeds of the sale of certain Czechoslovakian steel mill equipment heretofore blocked and sold in the United States by order of the Secretary of the Treasury under authority of Executive Order No. 9193, dated July 6, 1942 (7 F. R. 5205, July 9, 1942).

"(b) There is hereby created in the Treasury of the United States a fund to be designated the Czechoslovakian Claims Fund, for the payment of unsatisfied claims of nationals of the United States against Czechoslovakia as authorized in this title.

"(c) If, within 1 year following the date of enactment of this title, the Government of Czechoslovakia voluntarily settles with and pays to the Government of the United States a sum in payment of claims of United States nationals against Czechoslovakia, all moneys held pursuant to subsection (a) of this section shall be disposed of in accordance with the terms of the settlement agreement with Czechoslovakia and applicable provisions of this title and the sum paid by Czechoslovakia shall be covered into the Czechoslovakian Claims Fund.

"(d) Upon the expiration of 1 year after the date of enactment of this title if no settlement with Czechoslovakia of the type specified in subsection (c) of this section has occurred, all moneys held pursuant to subsection (a) of this section except amounts held in reserve pursuant to section 403 of this title, shall be covered into the Czechoslovakian Claims Fund.

"(e) The Secretary of the Treasury shall deduct from the Czechoslovakian Claims Fund 5 percent thereof as reimbursement to the Government of the United States for the expenses incurred by the Commission and by the Treasury Department in the administration of this title. The amount so deducted shall be covered into the Treasury to the credit of miscellaneous receipts.

"(f) After the deduction for administrative expenses pursuant to subsection (e) of this section, and after payment of awards certified pursuant to section 410 of this title, the balance remaining in the fund, if any, shall be paid to Czechoslovakia in accordance with instructions to be provided by the Secretary of State.

"SEC. 403. No judicial relief or remedy shall be available to any person asserting a claim against the United States or any officer or agent thereof with respect to any action taken under this title, or any other claim for or on account of the property or proceeds described in section 402 of this title, or for any other action taken with respect thereto except to the extent that the action complained of constitutes a taking of private property without just compensation, and to such extent the sole judicial relief and remedy available shall be an action brought against the United States in the United States Court of Claims which action must be brought within 1 year of the date of enactment of this title or it shall be forever barred; and any action so brought shall receive a preference over all actions which themselves are not given preference by statute. No other court shall have original jurisdiction to consider any such claim by mandamus or otherwise. If any action is brought pursuant to this section the Secretary of the Treasury shall set aside an appropriate reserve in the account containing the moneys held pursuant to subsection (a) of section 402 of this title. Such reserve shall be retained pending a final determination of all issues raised in the action and recovery in any such action shall be limited to and paid out of the moneys so reserved. After a final determination of all issues raised in the action and payment of any judgment against the United States entered pursuant thereto, any balance no longer required to be held in reserve shall be disposed of in accordance with the provisions of subsection (d) of section 402 of this title. Nothing in this section shall be construed to create (1) any liability against the United States for any action taken pursuant to section 404 of this title, (2) any liability against the United States in favor of the Government of Czechoslovakia, any agency or instrumentality thereof or any person who is an assignee or successor in interest thereto, or (3) any other liability against the United States.

"SEC. 404. The Commission shall determine in accordance with applicable substantive law, including international law, the validity and amounts of claims by nationals of the United States against the Government of Czechoslovakia for losses resulting from the nationalization or other taking on and after January 1, 1945, of property including any rights or interests therein owned at the time by nationals of the United States, subject, however, to the terms and conditions of an applicable claims agreement, if any, concluded between the Governments of Czechoslovakia and the United States within 1 year following the date of enactment of this title. In making the determination with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission is authorized to accept the fair or proved value of the said property, right, or interest as of a time when the property or

business enterprise taken, was last operated, used, managed, or controlled by the national or nationals of the United States asserting the claim irrespective of whether such date is prior to the actual date of nationalization or taking by the Government of Czechoslovakia.

"SEC. 405. A claim under section 404 of this title shall not be allowed unless the property upon which the claim is based was owned by a national of the United States on the date of nationalization or other taking thereof and unless the claim has been held by a national of the United States continuously thereafter until the date of filing with the Commission.

"SEC. 406. (a) A claim under section 404 of this title based upon an ownership interest in any corporation, association, or other entity which is a national of the United States shall be denied.

"(b) A claim under section 404 of this title, based upon a direct ownership interest in a corporation, association, or other entity for loss by reason of the nationalization or other taking of such corporation, association, or other entity, or the property thereof, shall be allowed, subject to other provisions of this title, if such corporation, association, or other entity on the date of the nationalization or other taking was not a national of the United States, without regard to the percent of ownership vested in the claimant in any such claim.

"(c) A claim under section 404 of this title, based upon an indirect ownership interest in a corporation, association, or other entity for loss by reason of the nationalization or other taking of such corporation, association, or other entity, or the property thereof, shall be allowed, subject to other provisions of this title, only if at least 25 percent of the entire ownership interest thereof at the time of such nationalization or other taking was vested in nationals of the United States.

"(d) Any award on a claim under subsection (b) or (c) of this section shall be calculated on the basis of the total loss suffered by such corporation, association, or other entity, and shall bear the same proportion to such loss as the ownership interest of the claimant bears to the entire ownership interest thereof.

"SEC. 407. In determining the amount of any award by the Commission there shall be deducted all amounts the claimant has received from any source on account of the same loss or losses with respect to which such award is made.

"SEC. 408. With respect to any claim under section 404 of this title which, at the time of the award, is vested in persons other than the person by whom the loss was sustained the Commission may issue a consolidated award in favor of all claimants then entitled thereto, which award shall indicate the respective interests of such claimants therein, and all such claimants shall participate, in proportion to their indicated interests, in the payments authorized by this title in all respects as if the award had been in favor of a single person.

"SEC. 409. No award shall be made on any claim under section 404 of this title to or for the benefit of (1) any person who has been convicted of a violation of any provision of chapter 115, title 18, of the United States Code, or of any other crime involving disloyalty to the United States, or (2) any claimant whose claim under this title is within the scope of title III of this act.

"SEC. 410. The Commission shall certify to the Secretary of the Treasury, in terms of United States currency, each award made pursuant to this title.

"SEC. 411. Within 60 days after the enactment of this title or of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later, the Commission shall give public notice by publication in the Federal Register of the time when, and the limit of time within which claims may be filed, which limit shall not be more than 12 months after such publication.

"SEC. 412. The Commission shall complete its affairs in connection with the settlement of claims pursuant to this title not later than 3 years following the final date for the filing of claims as provided in section 411 of this title or following the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later.

"SEC. 413. (a) The Secretary of the Treasury is authorized and directed, out of the sums covered into the Czechoslovakian Claims Fund, to make payments on account of awards certified by the Commission pursuant to this title as follows and in the following order of priority:

"(1) Payment in the amount of $1,000 or in the amount of the award, whichever is less.

"(2) Thereafter, payments from time to time on account of the unpaid balance of each remaining award made pursuant to this title which shall bear to such unpaid balance the same proportion as the total amount in the fund available for distribution at the time such payments are made bears the aggregate unpaid balance of all such awards.

"(b) Such payments, and applications for such payments, shall be made in accordance with such regulations as the Secretary of the Treasury shall prescribe.

"(c) For the purpose of making any such payments, an 'award' shall be deemed to mean the aggregate of all awards certified in favor of the same claimant.

"(d) If any person to whom any payment is to be made pursuant to this title is deceased or is under a legal disability, payment shall be made to his legal representative, except that if any payment to be made is not over $1,000 and there is no qualified executor or administrator, payment may be made to the person or persons found by the Comptroller General to be entitled thereto, without the necessity of compliance with the requirements of law with respect to the administration of estates.

"(e) Subject to the provisions of any claims agreement hereafter concluded between the Governments of Czechoslovakia and the United States, payment of any award pursuant to this title shall not, unless such payment is for the full amount of the claim, as determined by the Commission to be valid, with respect to which the award is made, extinguish such claim, or be construed to have divested any claimant, or the United States on his behalf, of any rights against any foreign government for the unpaid balance of his claim.

"SEC. 414. No remuneration on account of services rendered on behalf of any claimant in connection with any claim filed with the Commission under this title shall exceed 10 percent of the total amount paid pursuant to any award certified under the provisions of this title on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere, demands or receives, on account of services so rendered, any remuneration in excess of the maximum permitted by this section, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 12 months, or both.

"SEC. 415. The Secretary of State is authorized and directed to transfer or otherwise make available to the Commission such records and documents relating to claims authorized by this title as may be required by the Commission in carrying out its functions under this title.

"SEC. 416. To the extent they are not inconsistent with the provisions of this title, the following provisions of title I shall be applicable to this title: Subsections (b), (c), (d), (e), (h), and (j) of section 4; subsections (c), (d), (e), and (f) of section 7.

"SEC. 417. There are hereby authorized to be appropriated such sums as may be necessary to enable the Commission and the Treasury Department to pay their administrative expenses incurred in carrying out their functions under this title."

SEC. 2. Section 304 of the International Claims Settlement Act of 1949, as amended, is amended by adding at the end thereof the following: "Upon payment of the principal amounts (without interest) of all awards from the Italian Claims Fund created pursuant to section 302 of this act, the Commission shall determine the validity and amount of any claim under this section by any natural person who was a citizen of the United States on the date of enactment of this title and shall, in the event an award is issued pursuant to such claim, certify the same to the Secretary of the Treasury for payment out of remaining balances in the Italian Claims Fund in accordance with the provisions of section 310 of this act, notwithstanding that the period of time prescribed in section 316 of this act for the settlement of all claims under this section may have expired."

SEC. 3. (a) Subsection (b) of section 311 of the International Claims Settlement Act of 1949, as amended, is amended by adding at the end thereof the following: "This subsection shall not be construed so as to exclude from eligibility a claim based upon a direct ownership interest in a corporation, association, or other entity, or the property thereof, for loss by reason of the nationalization, compulsory liquidation, or other taking of such corporation, association, or other entity by the Governments of Bulgaria, Hungary, Italy, Rumania, or the Soviet Government. Any such claim may be allowed without regard to the percent of ownership vested in the claimant."

(b) Any claim heretofore denied under subsection (b) of section 311 of the International Claims Settlement Act of 1949, as amended, prior to the date of enactment of this section, shall be reconsidered by the Foreign Claims Settlement Commission solely to redetermine its validity and amount by reason of the amendments made by this section.

SEC. 4. If any provision of this act, or the application thereof to any person or circumstances, shall be held invalid, the remainder of the act, or the application of such provision to other persons or circumstances, shall not be affected.

The SPEAKER. Is a second demanded?

Mr. CURTIS of Massachusetts. Mr. Speaker, I demand a second.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. MORGAN. Mr. Speaker, this bill authorizes the Foreign Claims Settlement Commission of the United States

to receive and settle claims of American citizens for losses they have suffered from the nationalization of American-owned property by the communistic regime in Czechoslovakia. The money to pay these claims will not come out of the pockets of the American taxpayer but will be furnished by Czechoslovakia under a lump-sum claims agreement with that country which is presently in the process of negotiation. The bill provides, however, that if within 1 year after enactment of this legislation no such agreement is concluded, then we will use the sum of approximately $9 million already in hand, which the United States received from the sale of certain Czechoslovakian steel mill equipment manufactured in the United States under a contract with a Czechoslovakian Government steel company.

It is estimated that there may be as many as 1,500 to 2,000 claims filed and that approximately 1,000 of them will be found to be payable. We know, too, that the total American net losses from the Communist nationalization of the Czech economy was probably in the neighborhood of $25 million. It is the purpose of these negotiations to bring about the most satisfactory settlement possible which means, of course, we might eventually have more than $9 million for the payment of claims authorized in the bill.

If we were to stand by another year waiting for such an agreement to materialize it would only prolong further the settlement of these claims which have been piling up now since 1945 or thereabouts. At one point, several years ago, Czechoslovakia was about to sign an agreement for their payment when, through no fault of our representatives, the negotiations were abruptly halted. They were subsequently reopened a few years ago and it is hoped a final agreement will be concluded in the coming year.

Rather than postponing any further the receipt and processing of the claims, it was felt by the executive branch, which originated the legislation, that they should be processed now so that initial payments could be made immediately upon the conclusion of an agreement or in any event not later than 1 year following the bill's enactment.

The committee has been informed that by far the majority of payments under the bill will go to claimants having relatively small claims, say of $10,000 or less, and that most of these will be in the $1,000 to $5,000 bracket. There will undoubtedly be a substantial number of claims in the range of $10,000 to $50,000 and, of course, several that will exceed $1 million. It is only natural, of course, that certain American mining and manufacturing companies will be found whose properties and investments in Czechoslovakia were taken by the Communists, but they will not be preferred, under this bill, over American holders of small stock interests or individual Americans whose family farms, or commercial and business enterprises were also nationalized.

The nationalization program in Czechoslovakia, which began in 1945, operated against whole industries. Under a series of laws and decrees they took over, lock, stock and barrel, the mining, power, metallurgical and other heavy industries including small shops, mills and allied units within these industries. By 1953, 99.6 percent of the entire Czech economy had come under direct government control and all corporations and companies had been liquidated.

It was inevitable that this complete destruction of private enterprise in Czechoslovakia should have engulfed many Americans who have every right to look to their Government for help in getting at least a partial recovery for their losses. The action of the Communists was not only an offense against them but an offense against the United States. It is up to us, Mr. Speaker, to do what we can for our citizens who have been injured by these actions and to do it now. I urge the passage of S. 3557.

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

Mr. MORGAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have had occasion in the past to appear before the Foreign Claims Settlement Commission of which Judge Whitney Gillilland is the chairman. The Commission does an outstanding job. The hearings conducted by the Commission are on the highest judicial level humanly possible. It is a pleasure for me to take this opportunity, with this bill pending, to make a few remarks in relation to the excellent character of public service rendered by Judge Gillilland and the other two members of the Commission. It is one of the finest commissions that I have ever appeared before, and I congratulate them for the excellent manner in which they carry out their trust.

Mr. MORGAN. I thank the gentleman.

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

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

Mr. JENSEN. I appreciate very much the kind words the gentleman from Massachusetts [Mr. McCORMACK] has just expressed for this Commission and for its Chairman. I think I should say that we in Iowa where the judge is known so well hold Judge Gillilland in the highest regard.

Judge Gillilland comes from Glenwood, Iowa, in the District which I have the honor to represent. We made Whitney Gillilland judge of the district court when he was only 33 years old. We know he is an honest, able, efficient gentleman of the highest order. I concur in everything my good friend, the gentleman from Massachusetts [Mr. McCORMACK] has said about our friend Judge Gillilland. I thank the gentleman from Pennsylvania [Mr. MORGAN] for yielding to me.

Judge Gillilland has explained this bill to me. He says it is a very necessary bill. I know that when Judge Gillilland says this bill is necessary, then it is necessary.

Mr. MORGAN. Mr. Speaker, I thank the gentleman for his kind remarks about the Chairman of the Commission.

Mr. CURTIS of Massachusetts. Mr. Speaker, we seem to be in pretty good agreement on this bill. I ask unanimous consent to revise and extend my remarks and to include a tabular statement.

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

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, the purpose of this bill is to make provision for the handling of claims of American nationals against Czechoslovakia under the international claims settlement procedure as heretofore established. It amends the International Claims Settlement Act of March 10, 1950, Public Law 81-455—64th Statutes at Large, page 12—as amended by an act of August 9, 1955, Public Law 84-285—69th Statutes at Large, page 562—and adds to the existing law a new title IV, "Claims against Czechoslovakia."

The International Claims Settlement Act of 1950 related mainly to claims of American nationals against Yugoslavia, and established an International Claims Commission within the Department of State. Reorganization Plan No. 1 of 1954, transferred all the functions and authority of this Commission to the newly created Foreign Claims Settlement Commission as an independent agency.

The 1955 amendment to the International Claims Settlement Act, extended the above claims settlement procedure to claims against Bulgaria, Hungary, Italy, Rumania, and the Soviet Union. The Foreign Claims Settlement Commission has been engaged in adjudicating the claims of American nationals against the above-named countries.

The purpose of the present bill, S. 3557, is to make similar provision for claims against Czechoslovakia.

As pointed out in the report of the committee, the procedure established under this bill is similar to existing procedures for the claims against these countries. Claims of American nationals are to met from funds of Czechoslovakian origin, and not from funds provided by the United States Government. The nature of the funds of Czechoslovakian origin available is detailed in the report of the committee. The claims of American nationals covered by the bill are those for losses resulting from the nationalization of their property or other taking of their property on and after January 1, 1945. The bill establishes in the Treasury of the United States a Czechoslovakian Claims Fund from which awards will be paid on certification by the Foreign Claims Settlement Commission.

Mr. Speaker, I have a table showing the claims handled by this Commission through June 30, 1958, which I request be printed with my remarks:

Foreign Claims Settlement Commission—Claims and awards on all programs 1948 through June 30, 1958 [1]

Claim program	Administering agency	Number of claims filed	Number of awards	Aggregate amount of award	Termination date	Date terminated
International Claims Settlement Act of 1949, as amended (64 Stat. 12; 22 U. S. C. 1621–1641):						
Yugoslavia	International Claims Commission	1,556	876	$18,817,904	Dec. 31, 1954	Dec. 31, 1954.
Panama	do	67	62	1,537,394	None	Oct. 14, 1954.
Bulgaria	FCSC	391	136	1,855,953	Aug. 9, 1959	
Hungary	FCSC	2,725	217	1,942,112	do	
Italy	FCSC	2,246	270	1,088,851	do	
Rumania	FCSC	1,073	147	2,062,843	do	
Russia	FCSC	4,130	1,220	8,246,704	do	
Subtotal		12,188	2,928	35,551,761		
War Claims Act of 1948, as amended (62 Stat. 1240; 50 U. S. C. App. 2001–2016):						
American POW's, World War II and Korea	War Claims Commission and FCSC	550,409	365,668	132,543,064	Various	All POW programs completed on schedule.
American civilian internees, World War II and Korea	do	27,212	11,662	18,107,170	do	All internee programs completed on schedule.
Religious organizations and personnel in Philippines	do	10,387	131	28,807,977	do	All religious claims programs completed on schedule.
Sequestered accounts and credits in Philippines	FCSC	2,015	1,616	10,570,917	Aug. 31, 1956	Aug. 31, 1956.
Subtotal		590,023	380,628	190,029,128		
Grand total		602,211	383,556	225,580,889		

[1] Amounts actually paid on claims against the foreign governments listed will be somewhat less than the aggregate of awards because of limited funds acquired from such governments for their payment. This has necessitated provisions in the law for installments to be paid on awards and the proration of unpaid balances. As an example, Panama transferred only $400,000 under a lump-sum settlement for American claims determined by the International Claims Commission to be valid in the aggregate amount shown. As a percentage of awards, payments will vary widely depending on the size of the individual award. Claims under the War Claims Act were paid in the full amount of the proven losses.

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

Mr. CURTIS of Massachusetts. I yield to the gentleman from California.

Mr. YOUNGER. Mr. Speaker, I join the committee in support of this piece of legislation. It happened that I introduced the bill in the House and Senator LONG introduced a similar bill in the other body. The other body passed the bill the same day our House committee was considering my bill. It is a very good bill. It has been well considered. The American citizens who have claims rising out of nationalization in the Czechoslovakia takeover have long waited for this settlement and are very deserving.

The SPEAKER. The question is, will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WHITE HOUSE CONFERENCE ON AGING ACT

Mr. WIER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9822) to provide for holding a White House Conference on Aging to be called by the President of the United States before December 31, 1958, to be planned and conducted by the special staff on aging of the United States Department of Health, Education, and Welfare with the assistance and cooperation of other agencies of that Department and of other departments and agencies represented on the Federal Council on Aging; to assist the several States in conducting similar conferences on aging prior to the White House Conference on Aging; and for related purposes, as amended.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "White House Conference on Aging Act."

TITLE I—NEED FOR LEGISLATION; DECLARATION OF POLICY; DEFINITIONS

Need for legislation

SEC. 101. The Congress hereby finds and declares that the public interest requires the enactment of legislation to formulate recommendations for immediate action in improving and developing programs to permit the country to take advantage of the experience and skills of the older persons in our population, to create conditions which will better enable them to meet their needs, and to further research on aging because—

(1) the number of persons 45 years of age and older in our population has increased from approximately 13½ million in 1900 to 49½ million in 1957, and the number 65 years of age and over from approximately 3 million in 1900 to almost 15 million at the present time, and is expected to reach 21 million by 1975; and

(2) outmoded practices in the employment and compulsory premature retirement of middle-aged and older persons are depriving the economy of their much needed experience, skill, and energy and simultaneously, depriving many middle-aged and older persons of opportunity for gainful employment and an adequate standard of living; and

(3) many older persons do not have adequate financial resources to maintain themselves and their families as independent and self-respecting members of their communities, to obtain the medical and rehabilitation services required to permit them to function as healthy, useful members of society, and to permit them to enjoy the normal, human, social contacts; and

(4) our failure to provide adequate housing for elderly persons at costs which can be met by them is perpetuating slum conditions in many of our cities and smaller communities and is forcing many older persons to live under conditions in which they cannot maintain decency and health, or continue to participate in the organized life of the community; and

(5) the lack of suitable facilities and opportunities in which middle-aged persons can learn how to prepare for the later years of life, learn new vocational skills, and develop and pursue avocational and recreational interests is driving many of our older persons into retirement shock, premature physical and mental deterioration, and loneliness and isolation and is filling up our mental institutions and general hospitals and causing an unnecessary drain on our health manpower; and

(6) in order to prevent the additional years of life, given to us by our scientific development and abundant economy, from becoming a prolonged period of dying, we must step up research on the physical, psychological, and sociological factors in aging and in diseases common among middle-aged and older persons; and

(7) we may expect average length of life and the number of older people to increase still further, we must proceed with all possible speed to correct these conditions and to create a social, economic, and health climate which will permit our middle-aged and older people to continue to lead proud and independent lives which will restore and rehabilitate many of them to useful and dignified positions among their neighbors; which will enhance the vigor and vitality of the communities and of our total economy; and which will prevent further aggravation of their problems with resulting increased social, financial, and medical burdens.

Declaration of policy

SEC. 102. (a) While the primary responsibility for meeting the challenge and problems of aging is that of the States and communities, all levels of government are involved and must necessarily share responsibility; and it is therefore the policy of the Congress that the Federal Government shall work jointly with the States and their citizens, to develop recommendations and plans for action, consistent with subsection (b) of this section, which will serve the purposes of—

(1) assuring middle-aged and older persons equal opportunity with others to engage in gainful employment which they are capable of performing, thereby gaining for our economy the benefits of their skills, experience, and productive capacities; and

(2) enabling retired persons to enjoy incomes sufficient for health and for participation in family and community life as self-respecting citizens; and

(3) providing housing suited to the needs of older persons and at prices they can afford to pay; and

(4) assisting middle-aged and older persons to make the preparation, develop skills and interests, and find social contacts which will make the gift of added years of life a period of reward and satisfaction and avoid unnecessary social costs of premature deterioration and disability; and

(5) stepping up research designed to relieve old age of its burdens of sickness, mental breakdown, and social ostracism.

(b) It is further declared to be the policy of Congress that in all programs developed there should be emphasis upon the right and obligation of older persons to free choice and self-help in planning their own futures.

Definitions

SEC. 103. For the purposes of this act—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(2) The term "State" includes Alaska, Hawaii, the District of Columbia, the Virgin Islands, Puerto Rico, and Guam.

TITLE II—WHITE HOUSE CONFERENCE ON AGING

SEC. 201. (a) A White House Conference on Aging to be called by the President of the United States in order to develop recommendations for further research and action in the field of aging, which will further the policies set forth in section 102 of this act, shall be planned and conducted under the direction of the Secretary of Health, Education, and Welfare who shall have the cooperation and assistance of such other Federal departments and agencies as may be appropriate.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of the conditions of our older people, the conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the field of aging, and of the general public including older persons themselves.

(c) A final report of the White House Conference on Aging shall be submitted to the President not later than 90 days following the date on which the Conference was called and the findings and recommendations included therein shall be immediately made available to the public.

Grants

SEC. 202. (a) There is hereby authorized to be paid to each State which shall submit an application for funds for the exclusive use in planning and conducting a State conference on aging prior to and for the purpose of developing facts and recommendations and preparing a report of the findings for presentation to the White House Conference on Aging, and in defraying costs incident to the State's delegates attending the White House Conference on Aging, a sum to be determined by the Secretary, but not more than $50,000; such sums to be paid only from funds specifically appropriated for this purpose.

(b) Payment shall be made by the Secretary to an officer designated by the Governor of the State to receive such payment and to assume responsibility for organizing and conducting the State conference.

TITLE III—GENERAL PROVISIONS

Administration

SEC. 301. In administering this act, the Secretary shall:

(1) Request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of the act;

(2) Render all reasonable assistance to the States in enabling them to organize and conduct conferences on aging prior to the White House Conference on Aging;

(3) Prepare and make available background materials for the use of delegates to the White House Conference as he may deem necessary and shall prepare and distribute such report or reports of the Conference as may be indicated; and

(4) In carrying out the provisions of this act, engage such additional personnel as may be necessary (without reference to the provisions of the Civil Service Act) within the amount of the funds appropriated for this purpose.

Advisory committees

SEC. 302. The Secrtary is authorized and directed to establish an Advisory Committee to the White House Conference on Aging composed of professional and public members, and, as necessary, to establish technical advisory committees to advise and assist in planning and conducting the Conference. Appointed members of such committees, while attending conferences or meetings of their committees or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding $50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in the Government service employed intermittently.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. There is hereby authorized to be appropriated such sums as Congress determines to be necessary for the administration of this act.

The SPEAKER. Is a second demanded?

Mr. BOSCH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WIER. Mr. Speaker, H. R. 9822 is in reality an authorization bill authorizing the Secretary of the Department of Health, Education and Welfare to prepare a cost item in connection with the White House Conference by September of 1960. There is plenty of time to provide for the arranging of this conference through the various States which have a great interest in it.

This bill is one of a number, 21 altogether, that came before the sobcommittee of the Committee on Education and Labor of which I am privileged to be chairman. We had 2 weeks of hearings on these 21 bills dealing with this very necessary matter of research and deliberation into the care of our aged people who are growing in number and living longer and whose problems are increasing.

Our committee spent 2 weeks in hearing all the agencies or departments of Government involved in this problem as well as representatives of labor and many other organizations that have an interest with the care of the aged.

I feel that it is a privilege to be here today to present this bill, because this bill comes from one of the finest Members of this House, a man who has devoted a long time to extensive work in this particular field. I refer of course to the gentleman from Rhode Island [Mr. FOGARTY].

Most of the bills that were referred to our committee, or practically all of them, with the exception of one or two of this nature, dealt with setting up a commission in Government to deal with this problem of the care of the aged.

I do not think it is necessary for me to point out to you that the care of the aged involves a number of fields. The Department of Labor is concerned because of the limitation on employment. The Eagles organization has been carrying on quite a campaign for jobs after 45. Of course employment is a problem to those past 45. Then we have the health and the hospitalization of the aged. We have the housing priority or rental problem where rents are out of reach of most of the aged. We have social security with its very limited payments to the aged.

So there are about six agencies of Government that are involved in this problem. We heard them all. They all offered their testimony and all subscribed to the belief that the Congress ought to make some move in this field.

I think the most outstanding remark in the presentation of testimony was made by one of the doctors from the Public Health Service who pointed out that when a couple has a boy who is now 10 years of age, and another baby is expected next week, the baby that is born next week will live 5 years longer than the boy who is now 10 years of age. That is the way research and medical care are of late carrying us into a longer span of years of life.

I am very happy to present this bill here and make known my interest in the legislation. The bill came out of our subcommittee unanimously. The gentleman from New York [Mr. BOSCH] is the ranking member on the other side. The bill came to the full committee. When you can get a bill out of the Committee on Education and Labor unanimously it must be a pretty good bill, and that is the way this bill came out of our committee. I recommend it to all of you, and trust you will support it.

Mr. BOSCH. Mr. Speaker, I yield myself such time as I may consume. I join in the statements of the chairman of our subcommittee in favor of this legislation. While it is true that we had testimony during our hearings that the Federal Council for the Aged had made great progress in the problem of dealing with the aged in housing, financing, and medical and hospital care, the testimony clearly established that there was still more which needed to be done.

The States themselves had done a great deal, but there must be some other agency to express the interest of the Federal Government in this field.

We believe that through the medium of a White House conference, which under this amended bill would be scheduled for September 30, 1960, all the States will have the opportunity of presenting their ideas, recommendations and suggestions for the consideration of the Congress of the United States if additional legislation be deemed necessary.

I join in supporting this legislation. As our chairman said, it comes out of the

committee unanimously, and I urge support by the Members.

Mr. Speaker, I now yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD.]

Mr. JUDD. Mr. Speaker, I do not know of any subject in our country today that needs more study, and more comprehensive and careful study, than the problems faced by our elderly people and how all the agencies, private and public, that are dealing with them can more effectively help them to meet their growing needs.

It used to be, when we were predominantly a rural population, that most retired people lived with their children, or even their grandchildren, in the large homes characteristic of the time. Now, as we all know, a young couple builds a little home with one or two bedrooms out in a suburb. They cannot possibly keep the grandparents with them along with their own children. Where are the older folks to live? What are they to do to keep occupied? How can they support themselves? How can they keep their mental health as well as their physical vigor? How are they to be taken care of when they no longer can take care of themselves?

Modern medicine with its new drugs keeps them alive 10, 15, even 20 years longer than used to be the case. If that extra decade or two could be put into their lives at the age of 30 or 40, that would be wonderful. But, unfortunately the extension of life has to come at the end—when they cannot get work even though many of them are stronger physically and better able to work at 70 years of age than former generations were at 65 or 60 years of age. The working rules of today in many industries require retirement at 65, or the jobs are just not there for them. Are they to be idle for 15 to 20 years?

We need to be equally concerned with their emotional and psychological needs during this period. The most devastating thing that can happen to a human being is to be forced into a sense of uselessness. The thing that deteriorates human personality more than anything else is to have the society that brought a person into being and which he has served well all his life, now more or less cast him aside as not needed. He often comes to feel he is not wanted. What are these people to do to keep happy and healthy?

Formerly, it was generally acute diseases like pneumonia, and urinary infections that took them away fairly quickly. Now with the antibiotics, transfusions, oxygen, we are able to check most of the acute killers and they live on until they slowly die of malignancies or degenerative diseases, requiring more care and more expense—and with little or no enjoyment for themselves. In fact, their anxiety over financial matters is greater than at any time in their lives. Their expenses are beyond anything their resources will provide—and they cannot get jobs as when they were young. The costs are higher and their dollars buy less due to the relentless inflation of two decades.

So often the deterioration is mental before the physical processes finally slow down and stop. Months or even years of custodial care are needed. But where? And how financed?

Both from the standpoint of decent humanitarian concerns and from the standpoint of the economic burdens involved—for them and their families and for the society of which we are all a part, this problem has become so complicated and so urgent and affects such a large and deserving portion of our population that the move to call a White House Conference at the highest level along with conferences at lower levels in the States and local communities is one of the most forward looking proposals, with the greatest possibilities for genuine benefit to our whole Nation and its people that has come before us in a long time.

Physically, emotionally, economically, and socially—every way that you look at it, the needs of the aging are greater today and no one has anything approaching an adequate answer. I think it is the most urgent domestic problem that we face in America. It demands the most comprehensive analysis and, probably, a variety of measures gradually worked out with all people of good will and all agencies cooperating. I commend all those who have contributed to bringing this bill to the attention of the country and to the Congress. I hope nothing will interfere with its passage here and in the other body. We need to get on with this job. It is already late.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill, as amended?

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to provide for holding a White House Conference on Aging to be called by the President of the United States before September 30, 1960, to be planned and conducted by the Secretary of Health, Education, and Welfare with the assistance and cooperation of other departments and agencies represented on the Federal Council on Aging; to assist the several States in conducting similar conferences on aging prior to the White House Conference on Aging; and for related purposes."

A motion to reconsider was laid on the table.

Mr. WIER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

Mr. COFFIN. Mr. Speaker, in view of the short time limit of 20 minutes allowed in the House under suspension of the rules, I want to make my views known on this important bill by this extension of my remarks.

We are facing a remorseless buildup year by year of unresolved problems relating to the social and economic adjustment of our elderly citizens. In the State of Maine over 10 percent of our population is above 65 years of age. A Maine Committee on the Aging was created by statute in 1953 and has grown increasingly active. Our Maine Medical Association has set up a special committee on the aging. I know that similar, but unrelated, efforts are being made in the majority of States. At the Federal level, we have the Interagency Council on the Aging, made up of members who have primary responsibility to their own agencies and which has no staff, no funds, and meets only once a month, except during the summer, when it does not meet at all. There is also a small staff in the Office of Health, Education, and Welfare assigned to the problems of the Nation's 15 million aging.

Mr. Speaker, there is accumulating evidence that what is now a very serious problem, may soon become a crisis. I believe the pending legislation could be the first step toward averting such a crisis. Its consideration and passage in this session is of utmost importance. We should move now to give the States at least minimum help in correlating and stepping up their efforts. Subsequently, their varied experiences and programs should be brought into focus throuh a White House conference on the aging. I would hope, of course, that we would reach realistic estimates on how much the individual States will actually need for their preparatory work.

The all-important fact is, however, that this bill recognizes that a problem common to all our States and to all of our people is one affecting the general welfare, and that it must be considered on a national level. A White House conference on children and youth has been held every year since 1909. A similar conference on the aging would certainly stimulate concerted effort and bring us closer to solutions, even though it would not in itself be a vehicle for action.

Mr. FOGARTY. Mr. Speaker, I rise to request the support of all of my colleagues here in the House for my bill, H. R. 9822. I should like, at the outset, to thank the gentleman from North Carolina, Congressman BARDEN, for his part in bringing this bill to the floor and the gentleman from Minnesota, Congressman WIER, for the sympathetic hearing and careful consideration which he and the members of his subcommittee on Safety and Compensation have given to it.

H. R. 9822 provides that the President of the United States shall call a White House Conference on Aging not later than September 30, 1960. It provides, further, that up to $50,000 be granted to each State so that the States may collect necessary information about their older citizens, hold conferences for the purpose of coming to conclusions about what should be done to meet the needs of these citizens, and develop recommendations for action. It is my thought that these recommendations from all of the States should be brought together in a national conference on aging and molded into a total program for the guidance of the Federal Government, State governments, local communities, and the hundreds of national and local voluntary associations and agencies which are involved in this matter of aging. It has become clear, beyond doubt, that all of these share responsibility for creating conditions which

will assure our increasing numbers of older people opportunity to enjoy good health, adequate income, useful activity, decent housing and the other essentials of satisfying living.

I have been in a position for many years, as you know, Mr. Speaker, to study the health, welfare, and other needs of all of our citizens and to assist the Congress in creating legislation which has contributed greatly to their happiness and well-being and to the total national welfare. Our older people have been, in many ways, the neglected element in our population, largely because of the fairly recent but very rapid increase in their numbers. The older population has, in fact, grown from less than 7 million in 1930 to more than 15 million today, and we are only now beginning to understand the full range of their problems. In addition to my own observations as chairman of the Appropriations Subcommittee which deals with most of these problems, I receive daily reminders from my constituents and from many others that what we have done for these older people—and it has not been inconsiderable—is far from enough to make the added years of life rewarding and worthwhile. For all to many of them, indeed, longer life has become an intolerable burden.

I do not wish to suggest, Mr. Speaker, that we have ignored the needs of our older citizens. We have created a system of social security and have extended its benefits to cover nearly 10 million of those who are now retired and to apply to 90 percent of those who are currently employed. We have provided steadily increasing sums for research on aging and on the chronic diseases which afflict the majority of our older citizens. We are supporting programs for the discovery and control of cancer, heart disease, tuberculosis, diabetes, and other diseases common to this age group. We are assisting the States and communities in building hospitals, health centers, and geriatric treatment and rehabilitation facilities. We have provided funds to enable the States to purchase medical care for those who are receiving public assistance. We are helping to provide special counseling for older workers in public employment offices and we have recently increased the amount of assistance to organizations and communities which are providing special housing for the elderly.

Mr. Speaker, these programs represent solid actions on the part of the whole Congress. They demonstrate that we are conscious of some of the needs of our older cititzens. But, unfortunately, not enough is being done. At least half of our older people do not have incomes sufficient to meet their needs. The latest report from the National Health Survey reveals that 76 percent of those 65 years and over suffer from one or more chronic disabilities or impairments and that 33 percent of our older people are limited or prevented by long-term illness from following their normal activities. Prejudice against the worker 40 and over still makes it difficult, if not impossible, for him to get a job. A million, or perhaps even 2 or 3 million, middle-aged and older people could be restored to employment or other useful activity if they were able to secure rehabilitation services. Adequate medical care and decent housing are denied to thousands of our older people through lack of facilities or insufficient income to make use of the facilities which do exist. Isolation, boredom, and uselessness are diseases which are sending hundreds of older people into hospitals for the mentally sick and into nursing homes and county infirmaries.

These are conditions which exist today, Mr. Speaker, despite the magnitude of our efforts to alleviate them. We are providing a great deal of stimulation and financial assistance that should result in widespread action. To some extent, action is taking place, but by no means rapidly enough.

It is against this background that I introduced my bill. I came to the conclusion, Mr. Speaker, that the only way we can get action of the kind we need is to place a renewed focus of attention on this whole matter of aging. I believe that people do not know enough about the programs we have provided. I believe we must generate more widespread recognition of the whole problem than we have done so far. I believe we must help to generate a real determination to implement all of the programs we have made possible. We must expect to see specific plans and blueprints developed and put into effect. It is my belief that a series of State conferences culminating in a national White House Conference on Aging will help to get this kind of action.

The first National Conference on Aging held in 1950 and the two Federal-State conferences which have been held since that time got things started in many parts of the country. The governors and legislators of 32 States have set up commissions or councils on aging and some of these are working vigorously and making real progress in developing programs for recreation, health, education, employment, and housing for their older people. The majority of the States have scarcely gotten off the ground, however, and some have hardly begun to recognize the broad range of problems of their older citizens.

The same is true of a good many voluntary associations and organizations. Some of them are well aware of their opportunities to serve older people and are doing it well. Many others are giving only lipservice to the problem.

What I am convinced we must do is to get all of the States and all of these organizations involved. Aging affects every aspect of our lives. It has been said that aging is everybody's business and I believe this to be true. The conferences I am proposing will help to make it so.

Let me, if you will, take my own State of Rhode Island as an example. We set up a Governor's Committee on Aging back in 1951. The committee made a comprehensive survey of the needs of all older people in the State. It appointed subcommittees and the subcommittees held a great many meetings. We made some progress but not a great deal. Last fall the Governor asked the Special Staff on Aging of the Department of Health, Education and Welfare to come in and make a survey of the whole situation. We now have a set of recommendations to guide us. Governor Roberts has had the full support of the legislature in setting up a division of aging in his own office. I think we are ready to move in Rhode Island. But, to be entirely honest, I think we will move faster if we in the Congress can demonstrate that aging is a matter of national concern. We need to create the awareness on the part of all of our citizens that will give all of the States the encouragement and the support they must have in their efforts to meet this problem.

Mr. Speaker, H. R. 9822 represents a practical, down-to-earth approach to this whole matter of aging. It authorizes the President to call a White House Conference on Aging to be planned and conducted under the direction of the Secretary of Health, Education, and Welfare. I believe we have every reason to expect that this Conference, with participants from all of the States, would serve to focus nationwide attention on the needs of our older citizens and that it would come up with a sound program of action which should serve as a guide to us, to officials in all levels of Government, and to all groups and organizations which can be interested.

I should like to see the responsibility for organizing the White House Conference on Aging lodged with the Special Staff on Aging in the Office of the Secretary of the Department of Health, Education, and Welfare. This staff has shown repeatedly that it has the vision and the skill to organize a meeting of this kind. It has demonstrated its ability to harness the resources of all of the departments and agencies of the Federal Government and to bring them to bear on a project of this kind. And it goes without saying, I am sure, that all of the dozen or so agencies of the Government which are concerned with one or more of the problems of older people should be involved in any such meeting.

Mr. Speaker, I have stated the provisions of my bill. I am convinced that now—today is the time for us to act. The problems of aging, with which we are dealing, are going to become much larger before we can get them under control. While our programs of medical research are leading to great improvements in the health of older people, they are also extending the length of life for millions of our citizens. We are now adding 1 older person to our population every 15 minutes, or a total of 340,000 every year. The length of the period of retirement is increasing. Problems of health, of living arrangements, and of loneliness become acute in extreme old age. They constitute a growing challenge to all of us and we must do much more about them than we have been doing. And we must do it now.

I recently reported to the chairman of the Committee on Education and Labor that the total cost of this program, including funds for assisting the States and organizing the conferences, would not exceed $3,500,000 to be spent over a 2-year period. This, I pointed out, is less than 25 cents for each older person in

our population today. I am sure you will agree that this is a small amount in view of the returns we may expect to obtain on their behalf.

Whatever we are able to do to improve the circumstances of the elderly people today will help to create a better society for the 35 to 40 million middle-aged people in our population who are reaching old age at the rate of more than a million a year. I reminded our colleagues once before that this includes most of us here along with our families and thousands of the people we represent.

We have a clear responsibility to do our share, yes, more than our share, in making the later years of life comfortable, useful, healthy, and satisfying for all who will live to be old and for those who are old today. I firmly believe that the States and hundreds of organizations, and individuals are looking to us for leadership and that they will move ahead if we show them the way. The hundreds of letters I have had and those many of you have doubtless received testify to the accuracy of this statement.

It is for these reasons and for the total welfare of the country that I solicit the vote of every one of my colleagues for this bill. There is nothing partisan about it, because we are all aging as are all of our constituents without regard to political affiliation. I hope very much that we can obtain passage of the bill this afternoon and forward it to the Senate at once so that action may be completed during this session.

Mr. LIBONATI. Mr. Speaker, the passage of H. R. 9822 will stimulate positive action for a study at all levels in the body politic of the problems confronting the aged. The holding of a White House Conference on aging fields of study in cooperation with the States will bring about factual data based upon information and special areas of research in this subject that will result in legislation for the solution of the many problems confronting the ever increasing number of aged in our country.

Through the advice of experts and the experiences of various governmental bodies plans and programs can be evolved that will meet the needs in medical, vocational, housing, and security conditions that contribute to their impoverished and depressive conditions.

The utilization of their skills, experience and energies can be realized. The stimulation of their interest to improve their social condition and interest in civic affairs and obligations of citizenship will bring them happiness and contentment.

When we consider that the increase in old age—65 as the age of demarcation—has increased from 3 million in 1900 to 14 million in 1955 and an estimated 21 million for 1975, we must do something to formulate procedures and programs to meet these needs for legislation.

This is a forward step in a disregarded field of legislation and demands immediate action. The expert knowledge and abilities of the aged themselves can best be utilized for successful termination of their problems.

Mr. O'HARA of Illinois. Mr. Speaker, I wish to commend the distinguished gentleman from Rhode Island [Mr. FOGARTY], for introducing a bill that, enacted into law, will broaden the horizons of life of all the people of the United States who are in the period approaching the sunset. I would take this occasion to remark what is in the minds of all his colleagues that no one who has ever served in the Congress of the United States has done more for the advancement of the happiness of the American people than JOHN FOGARTY. There is not a home in America that is not indebted to the great and beloved statesman from Rhode Island. It is he more than any other person in the Congress who is responsible for a program of medical research larger than that ever before undertaken in all the history of the world; a program of medical research that is lifting from the homes of this country the terrible dread of diseases for which there had been no cure. This great American is now taking the leadership for a positive program to solve the many perplexing and distressing problems that attend the growing population of our aged. I was happy to have the opportunity of giving him encouragement and support in the adoption of his program of medical research. I am happy now to follow his leadership in the fight to bring sunshine into the lives of men and women now beset with heavy burdens in the closing years as they march toward the setting of the sun.

I commend also the distinguished gentleman from Minnesota [Mr. WIER] who has added to his long list of legislative accomplishments another great service to humanity. As Chairman of the subcommittee which reported out the bill we are now considering, he arranged public hearings that went on for many days and penetrated into every facet of the problems of the aged. The gentleman from Minnesota came to the Congress as a freshman the year that I was a freshman, and during the years that have passed, I have observed with admiration his legislative conduct, always fighting for the things that would bring happiness and contentment and justice to the little men and women of our Nation; always combating that which would give undue privilege to one class at the expense of another class.

It is natural that I should have an understanding interest in this bill. I am one of the many Members of this body who have passed the biblical span of three score and ten. I think often of the people who are forced to retire at 62 or 65, often when they are in the very prime of their intellectual ability, and so often when they have been forced into retirement and inactivity and have nothing to occupy their time, lose heart and fade away.

I think often of the men and women, not yet aged, still in the virility of middle age, but who cannot find employment because of the rule in many personnel offices that one past the thirties cannot be started in their employment. I think often of the lack of adequate housing for the aged, and of the heartbreaking struggles in these years of inflation, of these aged people who have inadequate means and no hope of augmenting their meager incomes by finding employment.

Something, Mr. Speaker, is wrong, and until we find a way to right the wrong, we cannot hold up our heads with self-respect. The bill fathered by the gentleman from Connecticut and brought to us from the subcommittee chairman by the gentleman from Minnesota, offers the first positive approach to a solution of the problems of the aged that has been presented to the Congress. In all good consciousness this bill must be passed, I hope by unanimous vote, by this body and the Congress should not adjourn until the other body has acted and the Fogarty bill is on the desk of the President, by his signature to become the law of the land.

On March 12, 1956, I introduced H. R. 4873, 84th Congress. Eleven other members of the Banking and Currency Committee of that year joined with me as sponsors. This was a bill to provide housing for elderly families and persons, and while the bill was not enacted into law, many of its features were lifted from it and made provisions in omnibus housing bills that became laws.

This was the beginning of the fight for housing for our aged, a fight that arrested the attention of the Nation and has resulted already in providing more housing, especially erected and financed to meet the needs of the aged, than ever before has been provided. I am humbly happy that such rich results have come from an effort I undertook to make in the performance of a mission of the heart. I cannot make mention of this without paying a tribute of appreciation to Allen Dropkin, an outstanding young lawyer of Chicago, who abandoned his own private affairs for a number of months to make the most exhaustive study for housing for the aged ever undertaken in this country, and I trust that when the Secretary of Health, Education, and Welfare names the advisory committee provided for in this bill, that he will include the name of Allen Dropkin. I also commend that great fraternal organization, the Eagles, for the outstanding job it has done in the field of housing for the aged, and I am sure that the Secretary of Health, Education, and Welfare will take recognition of this by naming as a member of that advisory committee, Alfred O'Connor, who, year after year has fired with his enthusiasm the great fraternal order in which he holds exalted position.

Mr. Speaker, there is so much more to be done until the aged of our Nation have the homes that will give them the comfort and the security to which they are entitled. Until we have provided for all of our senior citizens homes, homes of comfort and security and within their financial means, we have not completed the mission that is in every decent heart. We have so very, very much more to do in providing medical care for our aged, and in opening for them the opportunities for employment, that we cannot even consider the adjournment sine die of the 85th Congress until this bill has been passed here and in the other body. With all the good and experienced people of all the States working together, and finally coming to a White House conference, we cannot fail to find the legislative an-

swers to the questions raised as to what can be done to bring the sunshine into the lives of men and women as they march toward the setting of the sun.

AMENDING SECTION 27, MERCHANT MARINE ACT OF 1920

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9833) to amend section 27 of the Merchant Marine Act of 1920, as amended.

The Clerk read as follows:

Be it enacted, etc., That the Merchant Marine Act, 1920, as amended (46 U. S. C. 861 and the following), is amended by adding immediately following section 27 thereof (46 U. S. C. 883), a new section 27A reading as follows:

"SEC. 27A. Notwithstanding any other provision of law, a corporation incorporated under the laws of the United States or any State, Territory, District, or possession thereof shall be deemed to be a citizen of the United States for the purposes of and within the meaning of that term as used in sections 9 and 37 of the Shipping Act, 1916, as amended (46 U. S. C. 808, 835), section 27 of the Merchant Marine Act of 1920, as amended (46 U. S. C. 883), Revised Statutes, section 4370 (46 U. S. C. 316), and the laws relating to the documentation of vessels, if it is established by a certificate filed with the Secretary of the Treasury as hereinafter provided, that—

"(a) a majority of the officers and directors of such corporation are citizens of the United States;

"(b) not less than 90 percent of the employees of such corporation are residents of the United States;

"(c) such corporation is engaged primarily in a manufacturing or mineral industry in the United States or any Territory, District, or possession thereof;

"(d) the aggregate book value of the vessels owned by such corporation does not exceed 10 percent of the aggregate book value of the assets of such corporation; and

"(e) such corporation purchases or produces in the United States, its Territories, or possessions not less than 75 percent of the raw materials used or sold in its operations

but no vessel owned by any such corporation shall engage in the fisheries or in the transportation of merchandise or passengers for hire between points in the United States, including Territories, Districts, and possessions thereof, embraced within the coastwise laws, except as a service for a parent or subsidiary corporation and except when such vessel is under demise or bareboat charter at prevailing rates for use otherwise than in the domestic noncontiguous trades from any such corporation to a common or contract carrier which otherwise qualifies as a citizen under section 2 of the Shipping Act, 1916, as amended (46 U. S. C. 802), and which is not connected, directly or indirectly, by way of ownership or control with such corporation.

"As used here (1) the term 'parent' means a corporation which controls, directly or indirectly, at least 50 percent of the voting stock of such corporation, and (2) the term 'subsidiary' means a corporation not less than 50 percent of the voting stock of which is controlled, directly or indirectly, by such corporation or its parent, but no corporation shall be deemed to be a 'parent' or 'subsidiary' hereunder unless it is incorporated under the laws of the United States, or any State, Territory, District, or possession thereof, and there has been filed with the Secretary of the Treasury a certificate as hereinafter provided.

"Vessels built in the United States and owned by a corporation meeting the conditions hereof which are non-self-propelled or which, if self-propelled, are of less than 500 gross tons shall be entitled to documentation under the laws of the United States, and except as restricted by this section, shall be entitled to engage in the coastwise trade and, together with their owners or masters, shall be entitled to all the other benefits and privileges and shall be subject to the same requirements, penalties, and forfeitures as may be applicable in the case of vessels built in the United States and otherwise documented or exempt from documentation under the laws of the United States.

"A corporation seeking hereunder to document a vessel under the laws of the United States or to operate a vessel exempt from documentation under the laws of the United States shall file with the Secretary of the Treasury of the United States a certificate under oath, in such form and at such times as may be prescribed by him, executed by its duly authorized officer or agent, establishing that such corporation complies with the conditions of this section above set forth. A 'parent' or 'subsidiary' of such corporation shall likewise file with the Secretary of the Treasury a certificate under oath, in such form and at such time as may be prescribed by him, executed by its duly authorized officer or agent, establishing that such 'parent' or 'subsidiary' complies with the conditions of this section above set forth, before such corporation may transport any merchandise or passengers for such parent or subsidiary. If any material matter of fact alleged in any such certificate which, within the knowledge of the party so swearing is not true, there shall be a forfeiture of the vessel (or the value thereof) documented or operated hereunder in respect to which the oath shall have been made. If any vessel shall transport merchandise for hire in violation of this section, such merchandise shall be forfeited to the United States. If any vessel shall transport passengers for hire in violation of this section, such vessel shall be subject to a penalty of $200 for each passenger so transported. Any penalty or forfeiture incurred under this section may be remitted or mitigated by the Secretary of the Treasury under the provisions of section 7 of title 46, United States Code.

"Any corporation which has filed a certificate with the Secretary of the Treasury as provided for herein shall cease to be qualified under this section if there is any change in its status whereby it no longer meets the conditions above set forth, and any documents theretofore issued to it, pursuant to the provisions of this section, shall be forthwith surrendered by it to the Secretary of the Treasury."

The SPEAKER. Is a second demanded?

Mr. RIVERS. Mr. Speaker, this bill would authorize the operation in the domestic trade of the United States of barges or non-self-propelled vessels and small self-propelled vessels of 500 gross tons or less, owned by American corporations, but which do not fully meet the test of citizenship under the Shipping Act of 1916 because of the extent of alien stock ownership or management control.

The Merchant Marine Act, 1920, prohibits vessels built in the United States and owned by corporations from transporting cargo between points in the United States, unless the corporation is organized under the laws of the United States or of a State thereof, and the president and managing directors thereof are citizens of the United States, and 75 percent of the stock of the corporation is owned by citizens of the United States.

The bill changes existing law only with respect to corporations owning such vessels as barges, towboats and other small service vessels, which corporations are engaged primarily in a manufacturing or mineral industry in the United States or any Territory, district or possession thereof. It removes the present requirement that the president and managing directors must be citizens, and in lieu thereof requires that a majority of the officers and directors of the corporation must be American citizens. The 75-percent stock ownership requirement is also removed. The bill, however, adds the following additional standards that must be met:

First. Not less than 90 percent of the employees of the corporation must be residents of the United States;

Second. The aggregate book value of the vessels owned by such corporation may not exceed 10 percent of the aggregate book value of the total assets of the corporation; and

Third. The corporation must purchase or produce in the United States, its Territories, or possessions, not less than 75 percent of the raw materials sold or used in its operations.

The need for the legislation arises from the fact that since the enactment of the basic legislation imposing restrictions on citizenship and trading limits, there have been certain examples of corporations created under the laws of States of the United States, but which have not been able to meet the test of citizenship under the Shipping Act of 1916, as amended, because of their corporate stock control and organization.

This matter came to the attention of our committee when bills were introduced early in this session of Congress by Messrs, RIVERS and HEMPHILL, of South Carolina, and Messrs. FRAZIER, REECE, and BAKER, of Tennessee. The Bowaters Southern Paper Corp., an American corporation with huge facility investments in Tennessee and elsewhere in southeastern United States, found that because of the extent of its Canadian and British financial control it does not meet the test of citizenship under the Shipping Act of 1916, and therefore, under existing law cannot own and operate its own barge and towing facilities as a proprietary carrier in conjunction with its production activities. The proponents of the legislation pointed out that the effect of existing law is unfair and inequitable, and that amendment of the law to put this American corporation on equal footing with its competitors would in no way prejudice American merchant marine policy from the standpoint of either commerce or defense. Vessel operations would be limited to barges and tow boats on the inland waterway system, and would be purely incidental to the company's principal function.

Another major example of an American corporation not meeting the citizenship standard of the 1916 Shipping Act, but otherwise extensively engaged in an important part of the economy of the United States, is the Shell Oil Company. Shell has extensive off-shore drilling operations in the Gulf of Mexico which

must be serviced by relatively small utility vessels.

Full hearings were held on this legislation, and the bill, as reported, has been amended to meet the technical objections of the Bureau of Customs in the Treasury Department, as well as the objections originally offered by the Department of Commerce.

As reported, the bill would not permit any such corporation to engage in water transportation activity as a common carrier.

Mr. HEMPHILL. Mr. Speaker, I heartily endorse H. R. 9833, and thank the chairman and members of the Committee on Merchant Marine and Fisheries for bringing this bill up with such dispatch.

The distinguished gentleman from North Carolina [Mr. BONNER], chairman of the committee, was most courteous in arranging early dispatch of hearings and consideration of this legislation.

Because of my interest in this legislation and the merits of it, I introduced H. R. 9826, identical to H. R. 9833 as originally introduced. The committee has, I feel, made some timely and necessary modifications to the original bill.

In support of this legislation, I appeared before the committee urging passage. At that time I noted that Bowaters, Ltd., had begun a plant in the Fifth District of South Carolina, which I have the privilege of representing. We have welcomed Bowaters to the Carolinas. We wish them well, and this legislation will enhance their participation in competition on an equitable basis.

The Bowaters people have shown themselves to be exceptionally fine citizens and will undoubtedly make a very substantial contribution to the economy of my District. The present construction program will cost $38 million, but Bowaters have indicated that they intend to expand their South Carolina operations for a $100-million pulp and paper installation. They have also announced that they intend to construct a mill on the same site to manufacture hardboard exclusively from hardwood. There are, of course, very substantial quantities of hardwood in my State and in neighboring Southern States, and the development of an industry to utilize this little-used raw material is of great importance to the economy of the State.

Bowaters Southern Paper Corp. is unable to take full advantage of the economies of water transportation through the private ownership and operation of barges. The availability of navigable water was one of the chief factors leading to the selection of Calhoun, Tenn., as the site for this mill. Ownership of barges is forbidden because the company is a wholly owned subsidiary of the Bowaters Corporation of North America, Ltd., a Canadian corporation which is wholly owned by the Bowaters Paper Corp., Ltd., a British corporation.

Note, Mr. Speaker, that any vessels acquired under the provisions of this act must be built in the United States. Again we provide employment and subscribe to Americanism.

We are not putting these vessels into competition. The bill as modified prevents this. We do not license this corporation as a common carrier.

We in South Carolina are proud to back their bill 100 percent.

The United States is now importing much of its newsprint from Canada, and the newsprint producers in Canada can ship to the United States, in Canadian vessels, cheaper than the Tennessee mill can get its products to the same markets in the United States. Such an inequity, I know, should not be imposed upon an industry, with the great investments, employment potential, raw materials utilization, and economy promotion which Bowaters-Carolina Corp. and other subsidiaries of the Bowaters organization present.

In this time of business concern, with the considerable unemployment that exists, the removal of row crops because of the Soil Bank, and other business conditions, or problems of a similar nature, I hope this Congress in its wisdom will see its way clear to take this step in the promotion of more business and more employment. As this operation expands, not only will it increase business generally in the areas having hardwoods available, but it will, of course, be subject to taxation and contribute to the support of this Government through taxes.

I include an article from the Lancaster, S. C., News.

Mr. Speaker, I strongly urge passage of this legislation.

BOWATERS REVEALS SECOND MILL TO BE BUILT IN AREA

The Lancaster-Chester-York County areas economic outlook got a terrific shot in the arm Friday when Bowaters Southern Paper Corp. announced plans for a new hardboard plant at Catawba.

The new plant will bring an additional annual payroll estimated at $500,000 annually to the area and will open up a market for landowners to sell low grade hardwood timber.

Officials of Bowaters Southern at Calhoun, Tenn., said this will be the first time hardwood has ever been produced 100 percent from hardwood trees.

The board mill plant, to be called Bowaters Board Co., is now being designed at Bowaters Research and Development Corp.'s plant at Calhoun, Tenn.

The construction scheduled will be coordinated with that of the pulp mill now being erected at Catawba by Bowaters Carolina corporation.

Capacity of the hardboard mill will be 500,000 square feet a day on a one-eighth inch thick basis. Equipment of the plant is being designed to produce thicknesses varying from one-tenth to three-eighths of an inch.

John G. Robinson, formerly associated with an Oregon hardboard manufacturer, has been named superintendent of the Catawba plant. He is participating currently in the designing of the plant.

The output of the new mill will be known as Bowaters Board. It will be manufactured in a new process which has been developed as a result of years of research, including extensive experimental work in a leased pilot plant at Coos Bay, Oreg., officials said.

The Bowater organization has had 20 years experience in board manufacture and operates hardboard mills in other countries, officials explained.

"Not only have our engineers produced a superior product but they are responsible for opening up a market for low quality hardwood trees which are overabundant in the Southeast," officials said.

Construction of facilities to use hardwood at Calhoun, Tenn., already is underway.

Market surveys indicated that hardboard demand will increase substantially in the United States within the next 5 years. Hardboard is becoming increasingly important to the furniture industry. Its use is also increasing in residential and industrial construction. New outlets for this versatile material are being discovered almost daily, officials said.

The $500,000 estimated annual payroll quoted by officials doesn't include other jobs which will be provided in wood procurement.

Mr. BOYKIN. Mr. Speaker, H. R. 9833, by my distinguished friend, MENDEL RIVERS, authorizes the operation in domestic trade of the United States of barges or non-self-propelled vessels and self-propelled vessels of 500 gross tons owned by American corporations, but which corporations are termed alien by the Shipping Act of 1916. The instant proposed legislation brings up-to-date the law which has long since become antiquated. We have in this country many vast corporations whose top management are citizens of other friendly nations but who have come to America and invested large sums of money amounting to hundreds and hundreds of millions of dollars. They employ many, many thousands of Americans. Everything they buy is American and they become some of our best citizens.

We have a classic example of this in the great Bowaters Paper Company located in the District of my distinguished friend, the gentleman from Tennessee, JAMES B. FRAZIER. Yet this corporation under the antiquated law referred to cannot use the inland waterways to transport its own property—thereby putting it in a non-competitive position with the other great members of the pulp industry. The same thing applies to the Shell Oil Company and other fine corporations who have many hundreds of millions of dollars invested in America.

Mr. Speaker, this bill implements our Good Neighbor Policy, this bill is foreign aid in reverse. Mr. Speaker, this bill gives away nothing, it strengthens our law. It does the following:

First. Not less than 90 percent of the employees of the corporation must be residents of the United States:

Second. The aggregate book value of the vessels owned by such corporation may not exceed 10 percent of the aggregate book value of the assets of the corporation; and

Third. The corporation must purchase or produce in the United States, its Territories or possessions not less than 75 percent of the raw materials sold or used in its operations.

The question is: Will the House suspend the rules and pass the bill, as amended?

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. BONNER. Mr. Speaker, I ask unanimous consent that Members who

desire to do so may extend their remarks in the RECORD on the bill just passed.

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

There was no objection.

AMENDING SECTION 382 OF THE COMMUNICATIONS ACT OF 1934

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7757) to amend section 382 of the Communications Act of 1934 to provide an exemption from the requirements of part III of title III of that act in the case of certain vessels.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 382 of the Communications Act of 1934 is amended (1) by striking out the period at the end of paragraph (3) thereof and inserting in lieu thereof "; and"; and (2) by adding at the end of such section the following new paragraph:

"(4) any vessel which in the course of its voyages does not go more than 1,000 yards from the nearest land."

Mr. HARRIS. Mr. Speaker, the purpose of this legislation is to add a further exemption to section 382 of the Communications Act relating to the requirements for radiotelephones on certain vessels carrying passengers for hire.

Public Law 985 of the 84th Congress requires that United States vessels transporting more than six persons for hire which navigate in the open sea or any tidewater within the jurisdiction of the United States adjacent or contiguous to the open sea, must be equipped with radiotelephone equipment.

Certain exemptions are provided and the Federal Communications Commission is authorized to make certain exemptions where requiring a radiotelephone installation would be unreasonable, unnecessary, or ineffective for the purposes of the law.

The Commission has exempted vessels which do not go more than 1,000 feet from land. All the pending bill, as amended, does is to extend that exemption to 1,000 yards.

The SPEAKER. Is a second demanded?

The question is, Will the House suspend the rules and pass the bill H. R. 7757, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AMENDING SECTION 77 (C) (2) OF THE BANKRUPTCY ACT

Mr. FORRESTER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12217) to amend paragraph (2) of subdivision (c) of section 77 of the Bankruptcy Act, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (2) of subdivision (c) of section 77 of the Bankruptcy Act, as amended (11 U. S. C. 205 (c) (2)), is amended by inserting in said paragraph, immediately preceding the last sentence thereof, the following: "In operating the business of the debtor with respect to safety, location of tracks, and terminal facilities, the trustee or trustees shall be subject to lawful orders of State regulatory bodies of statewide jurisdiction to the same extent as would the debtor if a petition respecting it had not been filed under subsection (a) of this section except that (A) any such order which would require the expenditure, or the incurring of an obligation for the expenditure, of money from the debtor's estate shall not become effective (a) unless the trustee or trustees, with the approval of the court, shall consent thereto, or (b) unless the Commission, upon appropriate application or applications by an interested party or interested parties, shall find that compliance with the order will not impair the ability of the trustee or trustees to perform his or their duties to the public, will not constitute an undue burden upon interstate commerce, will be compatible with the public interest, and will not interfere with the formulation and approval of a satisfactory plan of reorganization for the debtor, and (B) compliance shall be made with any applicable provision of the Interstate Commerce Act."

The SPEAKER. Is a second demanded?

Mr. ROBSION of Kentucky. Mr. Speaker, I demand a second.

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. FORRESTER. Mr. Speaker, I yield myself such time as I may consume.

Briefly, Mr. Speaker, the purpose of the proposed legislation is to amend paragraph (2), subdivision (c) of section 77 of the Bankruptcy Act by adding new matter which would require that the trustee in bankruptcy, in operating the business of the debtor, shall also be subject to the orders of State regulatory bodies to the same extent that the railroad would be subject to the order of such bodies if an order for reorganization had not been filed.

This legislation arises under a state of facts that is almost inconceivable. It may be that these particular facts may never occur again. But in 1931, the Florida East Coast Railway Co. was operating its railroad lines and systems in the State of Florida and in the city of Miami. In 1931 this railroad was placed into receivership. At that time the city of Miami was a city of approximately 20,000 people. Today it is a city of at least 800,000 people, and in the winter it is a city of approximately 2 million. The same little terminal down in Miami, Fla., which is familiar to quite a few Members of this august body, is the same little terminal station which was erected down there when Miami was a city of 4,000 people. The tracks have become a menace to the people of the city of Miami. It is absolutely essential that there be some safety regulations provided; that there be some improvements as to the terminal and the facilities there. Under the regular law it is positive law that the State regulatory bodies have a right to order railroads to improve their terminal facilities and safety facilities, and so forth, but when they go into bankruptcy there is a hiatus, and as a matter of fact they do not have that power.

All on earth this bill does is to provide that the State regulatory bodies shall be respected, provided it is approved by the trustees and by the Interstate Commerce Commission. If we can get this legislation passed, Miami will have received some relief which they have been deserving and needing since 1931. The railroads have the money to accomplish the purpose that the city of Miami is asking for now. As I say, it is an unbelievable situation, but an unfortunately true situation.

Mr. ROBSION of Kentucky. Mr. Speaker, the subcommittee went into this situation very thoroughly, as the chairman stated. It is incredible that this particular railroad should have been in receivership for over 25 years, and due to circumstances under the present law, the city of Miami for all of these years has had very inadequate rail transportation facilities. We are hopeful that this legislation will correct that situation. This bill was reported out of our Judiciary Subcommittee by a unanimous vote.

I yield back the remainder of my time, Mr. Speaker.

Mr. FORRESTER. Mr. Speaker, I yield to the gentleman from Florida [Mr. FASCELL] such time as he may desire.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. FASCELL. Mr. Speaker, I rise in support of the pending legislation, H. R. 12217, introduced by me.

The purpose of the legislation is to amend paragraph (2), subdivision (c) of section 77 of the Bankruptcy Act, the railroad reorganization section, to allow the debtor with respect to safety, location of tracks, and terminal facilities to comply with the lawful orders of a State regulatory body so that needed improvements in railroad facilities can be made prior to the confirmation of a plan of reorganization.

The need for this legislation is clearly demonstrated by the experience of operating under the present provisions of section 77 of the Bankruptcy Act since March 3, 1933. In at least one instance a situation has arisen which is, and has been, intolerable and fantastic.

The particular problem arose in the city of Miami, Fla., and has been brought on by more than 25 years of litigation over the reorganization of the Florida East Coast Railroad. This case is aptly described as the "Yo-Yo Case." I am confident that the original framers of the law never contemplated a situation of this character arising under the beneficial provisions of the act.

The Florida East Coast Railroad passenger station in Miami was constructed in 1895, when Miami had a population of approximately 4,000. This same dingy, antiquated, and inadequate terminal facility purports to serve the needs of a metropolitan community whose population presently is about 800,000, is expected to be over a million in 1960, and 2 million in 1970. Not only is the passenger station inadequate, its location is astride of the heart of the community, stifling its growth and development, constituting an ever-present traffic hazard, and endangering the public safety and welfare.

Everyone, during the course of the years since the Florida East Coast Railroad has been in reorganization which has been over 25 years, has been agreed that something should be done with respect to the improvement and the location of these terminal facilities. However, during the course of the reorganization the railroad made money and the creditors were competing for eventual control of it. Consequently, no plan of reorganization was agreed to or eventually confirmed.

The court meanwhile had ruled that it would not grant authority to the trustee to use funds from the debtor's estate to construct the facilities which the railroad had been ordered to construct by the State Railroad and Public Utilities Committee, unless such construction was part and parcel of the ultimately approved and confirmed reorganization plan.

So here we have the unique situation of the law operating to protect to the ultimate the position of the creditors, meanwhile thwarting completely the public need and convenience.

This should not be. Under proper safeguards, a State or community ought not to be completely barred from doing that which is necessary in the public need and convenience.

Section 77 of the Bankruptcy Act sets forth a procedure whereby an insolvent railroad can file a petition seeking its reorganization. Such petition may be filed in a court within whose territorial jurisdiction the railroad operates, and a copy must be filed with the Interstate Commerce Commission. Subdivision (b) of that section prescribes statutory requirements of any such plan of reorganization which are intended for the protection of the creditors and shareholders of the insolvent railroad.

Subdivision (c) which H. R. 12217 seeks to amend by inserting new matter therein, prescribes proceedings to be taken after approval of the reorganization petition by the court. This subdivision provides:

First, for the appointment of a trustee or trustees of the debtor's property or his estate; and

Second, that such trustee or trustees shall have the power to operate the business of the debtor, subject to control by the Court and subject to the jurisdiction of the Interstate Commerce Commission.

H. R. 12217 would amend paragraph (2) of this subdivision (c) by inserting new matter which would require that the trustee or trustees in operating the business of the debtor with respect to safety, location of tracks and terminal facilities, shall also be subject to lawful orders of State regulatory bodies to the same extent that the railroad would be subject to the orders of such regulatory bodies, if a petition for reorganization had not been filed.

Thus, under the amendment, a State regulatory body could subject the trustee to its lawful orders on questions of safety, location of tracks and terminal facilities.

The exercise of such regulatory power by the State agency over the operation of the railroad by the trustee or trustees is carefully qualified by the express provisions which require the court-approved trustees' consent or a proper finding by the Interstate Commerce Commission when such order of the State regulatory body will require the expenditure of money from the debtor's estate or the incurring of obligations for the expenditure of funds from such estate.

Case law has been developed which indicates that the courts have interpreted the present law to the effect that State laws are applicable to receivers and trustees in the operation of railroads.

There is some question, however, as to the applicability of the lawful orders of a State regulatory commission to such receivers and trustees, particularly where such order contemplates the expenditure of money from the debtor's estate.

The purpose of H. R. 12217 is to insert into existing law this necessary clarification.

In conclusion, Mr. Speaker, I wish to express my appreciation to the very able gentleman from Georgia [Mr. FORRESTER], chairman of the of the subcommittee, and to the other committee members who considered this legislation most carefully and thoroughly, and for taking the action which is about to be confirmed, I trust, by the unanimous passage today of this important amendment to the Bankruptcy Act. It will be a day of liberation for hundreds of thousands of people in my district, and will certainly prevent the same fantastic set of facts from again frustrating the needs and convenience of that many people for such an unreasonable period of time.

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. NIMTZ. Mr. Speaker, as a member of the subcommittee that conducted the hearings on this legislation, I urge favorable consideration of H. R. 12217.

Section 77 of the Bankruptcy Act deals with the reorganization of railroads engaged in interstate commerce and provides a means whereby those that are financially distressed may be rehabilitated with due regard for the interest of the general public in adequate transportation facilities. As such, section 77 contemplates the continued operation of a railroad during its financial reorganization; e. g., where the debtor rejects a lease of a line of railroads, section 77 (c) (6) requires the former lessor to continue to operate the previously leased line or where it is found "impracticable and contrary to the public interest" for the former lessor to operate the line, section 77 (c) (6) requires the former lessee to continue operation for the account of the former lessor. Provisions like 77 (c) (6) are predicated upon the obvious fact that regardless of a railroad's financial condition, the public remains dependent upon it for services which it is alone in a position to provide.

Under normal conditions the nature and extent of a railroad's obligation to provide services and facilities is determined by the Interstate Commerce Commission and State regulatory bodies. The question arises, however, as to whether the fact that a railroad is in reorganization alters its amenability to the orders of such agencies.

As to the Interstate Commerce Commission, section 77 (c) (2) specifically subjects the trustee to the provisions of the Interstate Commerce Act and to the jurisdiction of the Interstate Commerce Commission. As to the applicability of State laws and the jurisdiction of State regulatory bodies, the section is silent.

That the Railroad Reorganization Act has not preempted the field to the exclusion of otherwise lawful State regulations has been established for some time—*Palmer* v. *Massachusetts* (308 U. S. 79 (1939)).

In addition, Congress has specifically indicated its intent that trustees and receivers, in general, in the Federal courts should not be immune to the regulatory power of the States—see *Palmer* v. *Massachusetts* (308 U. S. 79, 90, footnote 17). Section 959 (b) of title 28, United States Code, requires a trustee appointed in a cause pending in a Federal court to operate the property in his possession "according to the requirements of the valid laws of the State in which such property is situated, in the same manner that the owner or possessor thereof would be bound to do if in possession thereof." This provision has been held broad enough to include a trustee in a section 77 reorganization to comply with public service regulations, workmen's compensation statutes, and applicable tax laws.

Thus, while section 959 (b) clearly requires compliance with State laws relating to the usual incidents of operating the debtor's business, there is some question as to the obligation of the trustee, without the approval of the reorganization court, to comply with the orders of a State regulatory body requiring the construction or modification of railroad facilities.

Although the district court in the Florida East Coast litigation recognized the jurisdiction of the State agency to order the erection of new terminal facilities and the relocation of tracks, the court would not authorize the trustee to comply with the order until the necessary financing arrangements could be made part of an overall plan of reorganization. Thus, the court insisted that its responsibility for the financial affairs of the debtor while in reorganization gave it the power to control the trustee's compliance with orders which might affect the reorganization of the debtor or the interests of its creditors.

While it is both necessary and desirable to take into account the effect of major expenditures upon a railroad's overall financial condition and also the effect of such expenditures upon the approval of a satisfactory plan of reorganization, nevertheless, making compliance with the orders of a State regulatory body dependent upon the formulation and approval of a reorganization plan raises a serious problem. If the reorganization plan is quickly formulated and approved, there is no difficulty. If the reorganization gives rise to a large amount of litigation, then badly needed

facilities and services may be denied the public for substantial periods of time.

Although the committee fully agrees that recognized parties in interest have a right to object to and litigate proposed reorganizations, it is nevertheless of the view that the public's interest should not be made to hang in abeyance while innumerable motions and cross motions are made and while appellate procedures are being exhausted. Consistent with that philosophy, this bill provides a method for enforcing certain orders of State regulatory bodies where the consent of the trustee or the approval of the reorganization court cannot be obtained.

Thus, under this bill where an order of a State regulatory body would require the expenditure, or the incurring of an obligation for the expenditure, of money from the debtor's estate and the consent of the trustee and the approval of the reorganization court cannot be obtained, an interested party may go directly to the Interstate Commerce Commission. If the Interstate Commerce Commission then finds that compliance with the order, one, will not impair the ability of trustee or trustees to perform his or their duties to the public; two, will not constitute an undue burden upon interstate commerce; three, will be compatible with the public interest; and four, will not interfere with the formulation and approval of a satisfactory plan or reorganization for the debtor, the trustee must comply with that order provided that such compliance is consistent with the Interstate Commerce Act. It should be noted that the procedure established by this bill is limited to orders respecting safety, location of tracks, and terminal facilities.

It should also be noted that the bill specifically provides that the trustee "shall be subject to the lawful orders of State regulatory bodies of statewide jurisdiction to the same extent as would the debtor if a petition respecting it had not been filed."

There is, therefore, no intent to enlarge by this legislation what is under existing law the proper regulatory scope of the States.

In providing recourse to the Interstate Commerce Commission where the consent of the trustee or the approval of the court cannot be obtained, this bill shifts ultimate control over these matters from the reorganization court to the Commission. However, participation of the Interstate Commerce Commission in the administration of insolvent railroads is not an innovation introduced by this bill. As the Supreme Court said in *Palmer* v. *Massachusetts* (308 U. S. 79, 87):

> From the requirement of ratification by the Commission of the trustees appointed by the court to the Commission's approval of the court's plan of reorganization the authority of the court is intertwined with that of the Commission.

To document this conclusion, the Court in a footnote to this statement pointed out that "section 77 (c) (1) requires the appointment of trustees to be ratified by the Commission; section 77 (c) (2) gives the Commission supervision over the compensation paid to trustees and their counsel; section 77 (c) (3) permits the issuance of trustees' certificates only with the Commission's approval; section 77 (c) (9) permits the Commission, on request of the court, to investigate facts pertaining to mismanagement of the debtor; section 77 (c) (10) empowers the Commission to set up accounts for the allocation of earnings among the various portions of the debtor's lines; section 77 (c) (11) empowers the Commission to file reports as to the debtor's property, prospective earnings, and so forth, and gives to the facts stated in such reports a presumption of correctness; section 77 (c) (12) gives the Commission supervision over allowances for the expenses of various parties in interest in connection with the reorganization proceedings; sections 77 (d) and 77 (e) give to the Commission control over any proposed plan of reorganization; section 77 (p) gives to the Commission control over the solicitation of proxies or deposit agreements."

The committee believes that the authority granted to the Interstate Commerce Commission by this bill will in the future prevent the years of delay in providing badly needed facilities which has characterized the Florida East Coast situation. The committee also believes that this bill represents a proper balancing on the one hand of the interests of the creditors in obtaining a reorganization plan which is fair to all and, on the other, of the interests of the public in adequate transportation services and facilities.

Mr. Speaker, I urge favorable consideration of this legislation.

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EFFECTIVE DATE OF COMPENSATION INCREASES TO WAGE BOARD EMPLOYEES

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 25) relating to effective dates of increases in compensation granted to wage board employees, as amended.

The Clerk read as follows:

Be it enacted, etc., That each increase in rates of basic compensation granted, pursuant to a wage survey, to employees of the Federal Government or of the municipal government of the District of Columbia whose compensation is fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates under authority of section 202 (7) of the Classification Act of 1949 (5 U. S. C. 1082 (7)) or section 7474 of title 10 of the United States Code shall become effective, as follows:

(1) if the wage survey is conducted by a department or agency (either alone or with one or more other departments or agencies) with respect to its own employees, such increase shall become effective for such employees not later than the first day of the first pay period which begins on or after the 45th day, excluding Saturdays and Sundays, following the date on which formal collection of data for such wage survey is begun; and

(2) if the wage survey is conducted by a department or agency (either alone or with one or more other departments or agencies) and is utilized by any department or agency which did not conduct such wage survey, such increase shall become effective, for the employees of the department or agency utilizing such wage survey, not later than the first day of the first pay period which begins on or after the 20th day, excluding Saturdays and Sundays, following the date on which the department or agency utilizing such wage survey receives the data collected in such wage survey and necessary for the granting of such increase.

SEC. 2. (a) Retroactive compensation shall be paid, by reason of any increase in rates of basic compensation referred to in the first section of this act, only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of issuance of the order granting such increase, except that such retroactive compensation shall be payable—

(1) to an employee who retired during the period beginning on the effective date of the increase in rates of basic compensation and ending on the date of issuance of the order granting such increase, for services rendered during such period, and

(2) in accordance with the provisions of the Act of August 3, 1950 (Public Law 636, Eighty-first Congress) as amended (5 U. S. C. 61f–61k), for services rendered during the period described in paragraph (1) of this subsection, by an employee who dies during such period.

(b) Such retroactive compensation shall not be considered as basic salary for the purposes of the Civil Service Retirement Act in the case of any such retired or deceased employee.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 3. For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954 (5 U. S. C. 2091–2103), each increase in rates of basic compensation referred to in the first section of this act shall be held and considered to be effective as of the date of issuance of the order granting such increase or as of the effective date of such increase if such effective date occurs later.

SEC. 4. The foregoing sections of this act shall not apply to any increase in rates of basic compensation granted pursuant to any wage survey described in paragraph (1) or paragraph (2) of the first section of this Act and for which the formal collection of data is begun prior to September 1, 1958.

The SPEAKER. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

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

There was no objection.

Mr. MURRAY. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I am chairman of the subcommittee that held hearings on this bill for 2 days and reported it out. We believe the bill answers the needs of the situation.

The general purpose of S. 25 is to establish a date on which increases in wages resulting from wage board surveys are to become effective.

Under past procedures and practices it has taken anywhere from 4 to 7 months after the start of a wage survey before the wage increases resulting therefrom are paid to the employees. This represents a lag of approximately 10 months between increases granted to employees in private industry and those granted to Federal employees for the same type of work.

S. 25 as passed the Senate provided for an effective date for wage increases 30 days after the start of a wage survey. Hearings and discussions with officials indicated that such an early date would result in retroactive payments in every instance. Following the committee's hearings, discussions regarding the problem were initiated by the Personnel Adviser to the President. During these discussions new procedures and time-saving devices were agreed to whereby the time involved for conducting a survey, analyzing the data, and establishing the wage rate, could administratively be cut to a period of approximately 60 days, or 12 weeks.

A memorandum to the heads of the departments and agencies was developed which would set such a policy.

Bill S. 25 as reported in the House, follows the policy as established by this memorandum with one exception. The House bill provides for 45 days or 9 weeks in which to conduct the wage survey, analyze the data, and establish the wage rates. The committee believes that these 9 weeks are ample time in which to carry out these operations and that no retroactive payments will result if the departments and agencies will properly plan and carry on their activities.

The Senate, in acting on S. 25, failed to recognize that there were 2 types of wage board activities. One type involves the conduct of wage survey by the department or agency utilizing the results of that survey to establish wages for their own employees. The second type is where a department or agency uses the results of a survey conducted by another department or agency for the purpose of establishing rates. It was necessary to rewrite the Senate bill in order to recognize these two types of wage board activities.

A thorough analysis of the provisions of bill S. 25 as reported by the committee indicated that the language in section 2 of the bill did not fully or clearly represent the policy of the committee. The language in section 3 also was not technically perfect. As a result, amendments to these two sections are being offered today.

The amendments to section 2 provide that payments shall be made to retired or deceased employees for work actually performed during any retroactive period. This amendment brings the provisions of S. 25 into alinement with the provisions recently written into the retroactive pay bills.

The amendment to section 3 makes any adjustment in the face value of a Federal employee's group life insurance policy effective without retroactivity. This is also in line with the provisions of the recent retroactive pay increase bills.

Section 4 of the bill provides that the provisions of the act shall not apply to the establishment of wages in cases where the actual survey started prior to September 1 of this year. The committee deemed these provisions necessary so as to prevent any undue administrative difficulties resulting from retroactive restrictions on the planning and conduct of wage surveys.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I would like to congratulate the committee for bringing this bill to the floor. I think it is an equitable and proper bill.

There have been extended periods during which these wage board studies have been made and I know the many wage board employees throughout the country will appreciate the action being taken by the House today. I urge the adoption of S. 25.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Speaker, I am happy that S. 25 is up for consideration under suspension of the rules since I introduced a very similar bill and appeared before the Subcommittee of the House Post Office and Civil Service Committee in support of legislation to provide that any increase in rates of basic compensation granted to Federal blue collar workers pursuant to a wage survey be made effective on a retroactive basis. I know of an instance in my District of the Puget Sound Naval Shipyard where the employees did not get their increases until 6 months after the original date of the survey. That is not fair. A delay like that extends a period of adjustment when the Government employees are already behind similar pay rates in the area. So I have favored legislation such as this bill. Actually, it should be retroactive to the original date when the survey began but this is a compromise and as such it is the best we can hope to get.

Mr. Speaker, I am happy to see the bill come to the floor and urge its passage.

(Mr. REES of Kansas asked and obtained leave to extend his remarks at this point in the RECORD.)

Mr. REES of Kansas. Mr. Speaker, the bill S. 25, as reported to the House, is the result of over 4 months of hearings, consultations, and deliberations on the part of the committee. Immediately following the 2 days of open hearings on the bill, the executive branch of the Government interested itself in administratively improving policies and procedures which had been fundamentally responsible for the 6 to 7 months' delay in the granting of increases to the wage board employees of the Federal Government.

After numerous conferences with the departments and agencies, the employee groups, and other interested individuals, tentative procedures and policies were agreed to which would reduce the 7 months' lag to approximately 12 weeks. This period of 12 weeks or 60 working days was still considered by the committee to be excessive. The Senate, in acting on this bill, established a period of 30 days. The bill, as reported today, establishes a period of 45 days in which the departments and agencies are to conduct their surveys, analyze their data, and issue the new wage scales. I believe that this 45-day period is within reason and that if all parties concerned make every effort to improve on the relationships and activities involved, no retroactive pay will result.

In considering the provisions of the bill as it passed the Senate, it was found that the two types of wage-board activities were not recognized. These two types involve different time periods and different procedures and methods. One type is where the agency conducts its own wage survey for the establishment of the salaries of its employees. The second type is where a department or agency uses the results of a survey conducted by another department or agency. So as to recognize and provide for these two systems, it was necessary that the Senate language be struck from the bill and new language substituted.

With the exception of the 45 days provided in the House bill and the 30 days provided in the Senate bill, there is very little difference in the overall provisions of the two bills. The House bill does establish an effective date on which the provisions of this act shall be applicable. The committee, in its consideration of the administrative problems involved, determined that the 45-day limitation should not apply to wage-board surveys which had begun prior to September 1 of this year. This action was to eliminate any undue and unjustifiable administrative difficulties involved.

I sincerely believe that the 7 to 8 months' lag in receiving pay increases experienced by our some 650,000 wage-board employees is unjustifiable, unnecessary, and a distinct hardship on the employee. I feel that the provisions of this bill are workable and that they will bring the salaries of our wage-board employees more quickly into alinement with the salaries being paid in private industry. The sole principle on which the wage-board system is based is that the Federal salaries shall be equivalent to salaries being paid to private employees in the local area. I feel that for the first time this principle will be met with the enactment of this bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDMENTS TO ATOMIC ENERGY ACT OF 1954

Mr. HOLIFIELD. Mr. Speaker, I move that the House suspend the rules and pass the bill (H. R. 13482) to amend the Atomic Energy Act of 1954, as amended.

The Clerk read as follows:

Be it enacted, etc., That subsection a. of section 53 of the Atomic Energy Act of 1954,

as amended, is amended by deleting "or" at the end of paragraph "(2)"; by changing the period at the end of paragraph "(3)" to a semicolon; and by adding the following at the end of the subsection:

"(4) for such other uses as the Commission determines to be appropriate to carry out the purposes of this act."

SEC. 2. That subsection c. of section 53 of the Atomic Energy Act of 1954, as amended, is amended by deleting in both the first and second sentences the words "subsection 53a (1) or subsection 53a (2)" and inserting in lieu thereof in both sentences "subsection 53a (1), (2) or (4)."

SEC. 3. That section 68 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 68. Public and acquired lands.—

"b. Any reservation of radioactive mineral substances, fissionable materials, or source material, together with the right to enter upon the land and prospect for, mine, and remove the same, inserted pursuant to Executive Order 9613 of September 13, 1945, Executive Order 9701 of March 4, 1946, the Atomic Energy Act of 1946, or Executive Order 9908 of December 5, 1947, in any patent, conveyance, lease, permit, or other authorization or instrument disposing of any interest in public or acquired lands of the United States, is hereby released, remised, and quitclaimed to the person or persons entitled upon the date of this act under the grant from the United States or successive grants to the ownership, occupancy, or use of the land under applicable Federal or State laws: *Provided, however,* That in cases where any such reservation on acquired lands of the United States has been heretofore released, remised, or quitclaimed subsequent to August 12, 1954, in reliance upon authority deemed to have been contained in the Atomic Energy Act of 1946, as amended, or the Atomic Energy Act of 1954, as heretofore amended, the same shall be valid and effective in all respects to the same extent as if public lands and not acquired lands had been involved. The foregoing release shall be subject to any rights which may have been granted by the United States pursuant to any such reservation, but the releases shall be subrogated to the rights of the United States."

SEC. 4. Section 123 c. of the Atomic Energy Act of 1954, as amended, is amended by substituting a colon for the period at the end thereof and adding the following: *"Provided, however,* That the Joint Committee, after having received such agreement for cooperation, may by resolution in writing waive the conditions of all or any portion of such 30-day period."

SEC. 5. Section 145 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"g. Whenever the Congress declares that a state of war exists, or in the event of a national disaster due to enemy attack, the Commission is authorized during the state of war or period of national disaster due to enemy attack to employ individuals and to permit individuals access to Restricted Data pending the investigation report, and determination required by section 145 b., to the extent that and so long as the Commission finds that such action is required to prevent impairment of its activities in furtherance of the common defense and security."

SEC. 6. Section 161 d. of the Atomic Energy Act of 1954, as amended, is amended by adding after the word "responsibility" the following sentence: "Such rates of compensation may be adopted by the Commission as may be authorized by the Classification Act of 1949, as amended, as of the same date such rates are authorized for positions subject to such act."

SEC. 7. Section 161 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new subsections:

"t. establish a plan for a succession of authority which will assure the continuity of direction of the Commission's operations in the event of a national disaster due to enemy activity. Notwithstanding any other provision of his act, the person or persons succeeding to command in the event of disaster in accordance with the plan established pursuant to this subsection shall be vested with all of the authority of the Commission: *Provided,* That any such succession to authority, and vesting of authority shall be effective only in the event and as long as a quorum of three or more members of the Commission is unable to convene and exercise direction during the disaster period: *Provided further,* That the disaster period includes the period when attack on the United States is imminent and the post-attack period necessary to reestablish normal lines of command;

"u. enter into contracts for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct or other material, or special nuclear material, in accordance with and within the period of an agreement for cooperation while comparable services are available to persons licensed under section 103 or 104: *Provided,* That the prices for services under such contracts shall be no less than the prices currently charged by the Commission pursuant to section 161 m.;

"v. (1) enter into contracts for such periods of time as the Commission may deem necessary or desirable, but not to exceed 5 years from the date of execution of the contract, for the purchase or acquisition of reactor services or services related to or required by the operation of reactors;

"(2) (A) enter into contracts for such periods of time as the Commission may deem necessary or desirable for the purchase or acquisition of any supplies, equipment, materials, or services required by the Commission whenever the Commission determines that: (i) it is advantageous to the Government to make such purchase or acquisition from commercial sources; (ii) the furnishing of such supplies, equipment, materials, or services will require the construction or acquisition of special facilities by the vendors or suppliers thereof; (iii) the amortization chargeable to the Commission constitutes an appreciable portion of the cost of contract performance, excluding cost of materials; and (iv) the contract for such period is more advantageous to the Government than a similar contract not executed under the authority of this subsection. Such contracts shall be entered into for periods not to exceed 5 years each from the date of initial delivery of such supplies, equipment, materials, or services or 10 years from the date of execution of the contracts excluding periods of renewal under option.

"(B) In entering into such contracts the Commission shall be guided by the following principles: (i) the percentage of the total cost of special facilities devoted to contract performance and chargeable to the Commission should not exceed the ratio between the period of contract deliveries and the anticipated useful life of such special facilities; (ii) the desirability of obtaining options to renew the contract for reasonable periods at prices not to include charges for special facilities already amortized; and (iii) the desirability of reserving in the Commission the right to take title to the special facilities under appropriate circumstances; and

"(3) include in contracts made under this subsection provisions which limit the obligation of funds to estimated annual deliveries and services and the unamortized balance of such amounts due for special facilities as the parties shall agree is chargeable to the performance of the contract. Any appropriation available at the time of termination or thereafter made available to the Commission for operating expenses shall be available for payment of such costs which may arise from termination as the contract may provide. The term 'special facilities' as used in this subsection means any land and any depreciable buildings, structures, utilities, machinery, equipment, and fixtures necessary for the production or furnishing of such supplies, equipment, materials, or services and not available to the vendors or suppliers for the performance of the contract."

SEC. 8. Section 166 of the Atomic Energy Act of 1954, as amended, is amended by adding the following proviso at the end thereof *"And provided further,* That nothing in this section shall preclude the earlier disposal of contractor and subcontractor records in accordance with records disposal schedules agreed upon between the Commission and the General Accounting Office."

The SPEAKER. Is a second demanded?

Mr. VAN ZANDT. Mr. Speaker, I demand a second.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, this bill was reported unanimously by the Joint Committee on Atomic Energy. It consists of various and sundry amendments requested by the administration and the Atomic Energy Commission and approved by the Bureau of the Budget.

Mr. Speaker, H. R. 13482 is the so-called AEC omnibus bill and amends various sections of the Atomic Energy Act of 1954, as summarized in the committee report. It was reported by the Joint Committee on Atomic Energy with the unanimous recommendation that it be passed.

As chairman of the Subcommittee on Legislation, I would like to make a few comments concerning this bill.

First of all, the Joint Committee held 3 days of hearings on July 10, July 17 and 18, 1958, on the provisions of two prior bills, H. R. 13120 and H. R. 12603, which, after certain revisions, were incorporated into this bill. After the hearings the Subcommittee on Legislation met on July 21, 1958, and after full discussion, voted to approve these bills with certain modifications, and file clean bills. Accordingly on the same day this bill, H. R. 13482, was filed. On July 24, 1958, the full Joint Committee met and voted to report it out with the unanimous recommendation that it be passed.

The committee report on page 1 and the top of page 2 sets out a summary of the bill, with a brief description of the substance of each section. Also, the committee report from pages 5 through 9 contains a more detailed section by section analysis. I refer all of my colleagues to these portions of the committee report, and in addition, I will summarize briefly two of the more important sections.

Section 3 of the bill amends section 68 of the act to provide a general release of reservations of fissionable materials, or source materials, under acquired lands of the United States as well as public lands. The Atomic Energy Act of 1954 contained a similar provision, but this was subsequently interpreted in

some quarters to refer only to conveyances of public lands, and not acquired lands, and numerous problems affecting the title of such conveyances arose.

My colleague, Congressman JOHN F. BALDWIN, JR., of California, had one of these problems in his district and he testified in support of this bill during the public hearing. In addition, the committee was advised that this provision received the support of the Atomic Energy Commission and the Department of Interior, and was approved by the Bureau of the Budget. Also, the committee received letters from the chairman of both the Senate and House Committees on Government Operations recommending that this provision be passed as general legislation to correct a problem which had necessitated numerous individual bills referred to those committees.

I would like also to say a few words about section 7 of this bill, which amends section 161 of the Atomic Energy Act—the general authority section of the act—by adding three new subsections, t, u, and v. Of these, subsection v authorizes the Commission to enter into long-term contracts in certain limited areas. The Subcommittee on Legislation considered this matter very carefully, and received testimony from representatives of the General Accounting Office as well as the Atomic Energy Commission. The subcommittee modified the language originally requested by the Atomic Energy Commission in certain respects in order to incorporate the suggestions of the GAO, and also to add certain determinations which the Commission must make, and certain principles which the Commission should follow in entering into these contracts. The Joint Committee report states as follows at page 8:

> The purpose of the determinations is to require the AEC to explore the use of Government-owned facilities, and other means of short-term contracting, before adopting the procedure of long-term contracts whereby the Government pays the amortization for all or part of the privately owned facilities.
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> * * * * *
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> In specifying these principles, the committee did not mean to negative other principles of good contracting, such as obtaining competitive proposals, etc.

Mr. Speaker, I have attempted to describe only two of the sections of the bill. The other sections are mostly minor or technical in nature and are described in the committee report. This bill has the unanimous support of the Joint Committee, and was requested by the Atomic Energy Commission and the administration, and I therefore urge all Members to support H. R. 13482.

Mr. VAN ZANDT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I would like to express my appreciation to the gentleman from California [Mr. HOLIFIELD] and members of the Joint Committee on Atomic Energy for including section 3 in this bill, which amends section 68 of the act to provide a general release of reservations of fissionable materials, or source materials, under acquired lands of the United States, as well as public lands.

I happen to have one of those situations in my district in the city of Richmond, Calif. The redevelopment agency of the city of Richmond has found the reservation of fissionable materials a material obstacle in disposing of the land involved, for redevelopment purposes. This action by the Joint Committee will clarify the situation and they will appreciate a great deal the action being taken today.

Mr. HOLIFIELD. The gentleman is correct. This will also take care of several matters throughout the United States that have been brought to the attention of the committee.

Mr. VAN ZANDT. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I join my colleague [Mr. HOLIFIELD], the distinguished chairman of the Subcommittee on Legislation of the Joint Committee, in supporting H. R. 13482.

This bill is the so-called AEC omnibus bill and contains various amendments to the Atomic Energy Act, most of them minor or technical in nature, which are necessary in order to keep the act up to date and capable of providing a framework for our growing atomic energy program. The provisions of this bill follow closely the recommendations of the Atomic Energy Commission and draft bills which were submitted by the AEC with approval by the Bureau of the Budget.

This bill will assist the Atomic Energy Commission to carry out its many important responsibilities, and I therefore urge all Members to approve H. R. 13482.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

JULY 25, 1958.

Hon. SAM RAYBURN,
The Speaker, United States House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 2136 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

State:	*Watershed*
Georgia	Mill Creek
Kentucky	Obion Creek
Mississippi and Tennessee	Muddy Creek

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

JULY 25, 1958.

Hon. SAM RAYBURN,
The Speaker, United States House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 2162 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

State:	*Watershed*
California	Adobe Creek
Do	Buena Vista Creek
Do	Central Sonoma
Delaware	Upper Nanticoke River
Kentucky	Donaldson Creek
Nebraska	Mud Creek
Nevada	Peavine Mountain
Tennessee and Mississippi	Indian Creek
Wisconsin	Coon Creek

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

THE LATE LT. GEN. CLAIRE LEE CHENNAULT

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. PASSMAN. Mr. Speaker, while all the Nation joins in mourning the death of Lt. Gen. Claire Lee Chennault, those of us in Louisiana—and particularly the Fifth Congressional District, which was his home—feel a keen sense of personal loss.

There, the "Old Warrior" was fondly cherished as one of our own—in Monroe and Ouachita Parish, where he had maintained residence while in the States during recent years; in Tensas Parish, which earlier had been his home; and in Franklin Parish, where he had spent the period of his youth and, then, a portion of his young manhood, teaching school there part of that time.

Therefore, we of the northeast Louisiana area, as well as multitudes throughout the entire State, now not only pay our respects to the memory of the illustrious life of a great American who made an outstanding contribution to our country, but we bear also the irreplaceable loss of a distinguished neighbor and fellow-citizen—and for myself, as with countless others in the district which it is my great privilege and high honor to represent in the Congress, a friend.

I join now, Mr. Speaker, in extending deep and heartfelt sympathy, in their bereavement, to the wife of the "Old Hero," to his 6 sons, 4 daughters, 3 brothers and others who were near and dear to him. May they be comforted in the certainty that it is by dying that one awakens to eternal life.

UTILIZATION OF SCIENTIFIC AND TECHNICAL PERSONNEL IN THE ARMED SERVICES

Mr. CRETELLA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. CRETELLA. Mr. Speaker, for some time I have been directly concerned with a problem which is of the utmost importance to the United States and the security of her people—the proper use of scientific and engineering manpower in the armed services.

First. It has been reliably estimated that the Armed Forces now wastes more than 15,000 men in its technical and scientific ranks. Some of this number are in Reserve officers' training programs, ROTC. This is a startling figure.

Second. The remaining pool of squandered scientific talent is found in the 5,300-man Army scientific and professional personnel program, comprised entirely of enlisted men who qualify under the rigid standards set up for this assignment. The information I have been able to gather seems to confirm the belief of those who are close to this problem that over 30 percent of the men who were or are now in the scientific and professional program were either misassigned, completely misused, or not using to the maximum degree the formal scientific education and training they received as civilians. In terms of numbers, this means that today in the Army enlisted scientist program alone close to 2,000 scientists are not given the chance to fully employ their technical specialties to the benefit of the United States Government. This program typifies the apathetic and hindsighted Army attitude toward its scientists and engineers.

During the last 9 months, literally hundreds of Army scientists and engineers have written or contacted me to support my allegation that this project is run on a badly managed hit-or-miss basis. These men, all of whom have at least one college degree, are engineers, mathematicians, chemists, physicists, geologists, bacteriologists, and others, most of whose services are in nationwide short supply. The scientifically oriented soldier is, to an alarming degree, harassed, belittled, or ignored while the Army continues to justify the existence of the program and the need for such talent in its ranks. These men are supposed to be allocated to the Army scientific laboratories as assistants to the civilian supervisors. Many never see the inside of a laboratory or technical installation during their Army careers.

Those who do are for the most part put to work not at duties for which they have been educated and trained, but in jobs which could easily and efficiently be performed by almost anyone—delivering messages or materials, transferring numbers from one sheet of paper to another, simple grade-school mathematical computations, typing, filing, elementary drafting, and countless other minor tasks. In other words, their skill is unnecessarily being allowed to atrophy while in the Army. As a further disservice, this stagnation will ill equip them for functioning effectively in the rapidly changing scientific fields after their release from service.

Added to this deplorable picture is the disproportionate amount of time the G. I. scientist is required to perform in miltary duties, such as kitchen police, guard duty, prisoner guard, housekeeping, cleaning details, and the like. Up to 35 percent of the scientific and professional's time is spent on these duties. This is while dozens of other groups manage to escape these details, such groups including military police, bandsmen, school instructors, clerks, typists, firemen, first-aid specialists, and hospital assistants. There is no reason to advocate that the scientific and professional soldier should be totally and permanently exempt from military details. But neither is there reason for the blanket exemption of any group, a situation which is widely accepted by the Army even though it is in violation of its own regulations. Last fall I learned that up to two-thirds of the entire noncommissioned enlisted forces at Aberdeen Proving Ground were excused from military details, and at that time I named the groups concerned: Military police, bandsmen, firemen, clerk-typists, hospital attendants, and first-aid specialists. They did not include the scientific and professional soldier. The Army has never denied this to be the case. If this is true it is a clear illustration of Army indifference toward the principle of equality for enlisted personnel and an attitude which scoffs at the potential of skilled scientific manpower.

Scientific and professional personnel is found in over 100 Army installations. The main ones from which I have received information on flagrant misuse or poor treatment of scientists and engineers are Aberdeen Proving Ground, the Army Chemical Center, and Fort Detrick, Md.; Forts Belvoir and Eustis, Va.; Fort Huachuca, Ariz.; Fort Knox, Ky.; White Sands Proving Ground, N. Mex. Fort Monmouth, N. J.; and the Army Map Service, Japan.

The program has been subjected to 20 separate surveys by the Army since 1951. None has brought about a nickel's worth of badly needed revision. Last December on my recommendation the Army launched a critical reexamination of the entire scientific and professional program as noted to me in a letter dated December 6 from the Adjutant General. Since that time more than 7 months have elapsed and the results of that examination have not been made known to me, or, to my knowledge, anyone outside the Army. Over 2 months ago I was advised that the survey was taken but the results not yet tabulated.

It is obvious that in the face of irrefutable facts which document the folly of the scientific and professional personnel program, the Army is hopelessly stalled and has no desire to bring about an improvement of it on its own.

The importance of scientific and technical preparedness becomes increasingly evident every day. It is bad enough that our supply of top scientific manpower is limited, but this problem compounds itself when we find the armed services is not using to full advantage the talent it has. We must do much better if we are to ever match Russia's revolutionary surge in the sciences. When our scientific shortcomings are stated in cold terms of national security and survival they must be recognized as faults which command the urgent attention of our people and their Government.

At this time, the only course of action to take is to urge a full and unbiased Congressional inquiry by the House Committee on Government Operations into the blatant misutilization of technical and scientific manpower in the Armed Forces. This I have done today through the introduction of a resolution in the Congress to authorize such an investigation.

I shall be most willing to cooperate in turning over to the committee on its request at the appropriate time, the records, documents, tape-recorded interviews, and all other information I have in my possession on this subject, provided that all care and discretion is exercised in protecting the names of my correspondents.

Likewise, the Committee on Rules before which this resolution will come shall be entitled to the above information in my files in order that it may have all the available evidence which I am sure will justify the reporting of this authorization to the House.

I regret the circumstances which prevented earlier introduction of this resolution. Despite the fact that authority for an investigation by the Government Operations Committee might not be completed in this Congress, this resolution will I hope help to focus Congressional attention on a timely and important problem and encourage further action in the 86th Congress.

FEDERAL CIVIL DEFENSE SHELTER POLICY

Mr. HOLIFIED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, last week Gov. Leo Hoegh, Director of the Office of Defense and Civilian Mobilization, transmitted to Congress a request for funds to carry out the administration's new national shelter policy. A total of $13 million was requested for shelter construction and research for the current fiscal year.

Governor Hoegh has indicated that the Federal Government plans to build approximately 40 prototype or sample fallout shelters throughout the country. In addition, plans are being made for the inclusion of fallout protection in new Federal buildings, with the additional costs of such protection being funded by the individual agencies concerned.

As chairman of the Military Operations Subcommittee of the House Committee on Government Operations, I have repeatedly urged the adoption of a Federal shelter construction program. Our studies and investigations during the

past 3 years have convinced me that our survival as a nation may very well depend upon such a program.

I hasten to add, however, that the program now sponsored by the Office of Defense and Civilian Mobilization will not do the job required. In effect, it is a do-it-yourself plan through which the Federal Government will show the public the types of shelters needed and then depend upon the States and localities to build their own.

The proposal to include fallout protection in new Federal buildings is highly commendable. Certainly, the Federal Government should set a good example. But the fact that each agency will be required to finance the protective features of its new buildings means that little real progress can be expected. No agency will curtail its badly needed construction funds for this purpose.

In the past, our subcommittee has found almost a total neglect of civil defense measures on the part of some Federal agencies. Without specific allocations of money for civil defense purposes, these agencies have been so preoccupied with their primary functions that civil defense responsibilities assigned to them have been lost by the wayside.

In other cases, Federal agencies with civil defense delegations have been expected to carry out vast civil defense planning functions with extremely limited funds. The result in most cases has been failure.

Two years ago our subcommittee discovered what happens to civil defense functions assigned to other Federal agencies without adequate funding. The Housing and Home Finance Agency was charged with planning for the reduction of urban vulnerability in the United States, and to perform this important function HHFA had been given a total of $25,000.

Naturally, HHFA had not been able to do the job. Their testimony to our subcommittee was that all they could do was try to decide what might be done at a later date if they should be given more money.

Frankly, I fear that the new plan to include fallout protection in new Federal buildings will meet the same fate. I do not believe each agency will be willing to finance such protection to the extent necessary and desirable.

In one important respect, this shelter policy announcement by Governor Hoegh is extremely worthwhile. Despite the pitfalls standing in the way of success, the announcement represents a formal recognition of the basic requirement for shelter protection in the United States. To my knowledge, this is the first official recognition of this basic requirement by the executive branch since the advent of hydrogen weapons.

Therefore, though it is many years late in coming, it is a commendable step and one which should be supported. For my own part, I shall support every step—however feeble and unsure—in the direction toward a more realistic civil defense for our Nation.

I hope that other Members of Congress will also support this move by the executive branch and that eventually the executive branch in turn may be emboldened to adopt more direct measures to strengthen our civil defense preparedness.

Each time a test missile is launched from Cape Canaveral or across the steppes of the U. S. S. R. we move closer to the time when properly constructed underground shelters will offer the only hope for survival from atomic-hydrogen war heads.

SUSPENSION OF RULES IN ORDER TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow for the Speaker to recognize a Member to suspend the rules on the bill (H. R. 13021) relating to the safety program for longshore and ship repair industries, also on the bill (H. R. 12728) to amend the Longshoremen's and Harbor Workers Compensation Act with respect to the payment of compensation in cases where third persons are liable.

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

There was no objection.

LEGISLATIVE PROGRAM FOR BALANCE OF WEEK

Mr. McCORMACK. Mr. Speaker, I also desire to announce in connection with the further program for this week that if we dispose on tomorrow of the bill H. R. 9020 now on the program and S. 607, the bill H. R. 12751 will be in order for consideration. If not, it will go over until next week.

On Thursday amendments to the Social Security Act will come up for consideration and on Friday the community facilities bill will be considered.

Any further program for the rest of the week I will announce as quickly as I possibly can.

RECORDING LAWFUL ADMISSION FOR PERMANENT RESIDENCE OF CERTAIN ALIENS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11874) to record the lawful admission for permanent residence of certain aliens who entered the United States prior to June 28, 1940, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 9, after "application" insert "or, if entry occurred prior to July 1, 1924, as of the date of such entry."

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

Mr. MARTIN. Mr. Speaker, reserving the right to object, as I understand it, this has been cleared with the gentleman from Maryland [Mr. HYDE]?

Mr. CELLER. Yes. Everybody on the gentleman's side who is interested in the bill has approved this amendment.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ALBERT HYRAPIET

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1574) for the relief of Albert Hyrapiet, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment at follows:

Strike out all after the enacting clause and insert "That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Albert Hyrapiet shall be held and considered to be the minor alien child of Mr. and Mrs. George Hyrapiet, citizens of the United States."

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

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand this also has been examined by the minority Members?

Mr. CELLER. The gentleman is correct.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

HEMISPHERIC PROBLEMS

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. PORTER. Mr. Speaker, last Friday the gentleman from Tennessee [Mr. REECE] inserted a six and one-half column speech into the RECORD to deplore my "meddling with our hemispheric problems."

Last year he made 8 statements in the RECORD and I made 5 statements in the course of our controversy. Counting his insertion Friday, he has used more than 32 columns of the RECORD and, not counting this one, I have used less than 13 columns.

I do not begrudge the gentleman the space. Indeed I thank him for his interest and wish more of our colleagues would participate.

I also thank him for his repeated assertions of lack of rancor, for his recognition of my good faith, and for his statement Friday as follows:

The gentleman's obvious talents, if channeled through the cognizant committees of

Congress and responsible officials of the Department of State, could be of help in an area which sadly needs constructive and additional attention.

I am glad to inform the gentleman that I do work with the appropriate committees and officials and shall continue to do so.

REFUSAL TO DEBATE

The gentleman complains that I have not answered his questions. I deny this and I complain that he has never seen fit to make his remarks in person and to notify me in advance so that we might debate these issues personally instead of through insertions in the RECORD.

I telephoned the gentleman yesterday morning immediately after his latest remarks came to my attention. I told him I was taking this hour to reply and that I would reserve time for a colloquy. The gentleman is not on the floor at this time and I regret that he did not see fit to accept my invitation to debate.

QUESTIONS FOR THE GENTLEMAN

I have several questions for the gentleman.

First, why does he fail to notify me in advance of his insertions? Why has he avoided debate on the floor?

Second, the gentleman last year was full of praise for the Dominican Republic and wrathful at me for criticizing its leaders and methods. There has been more criticism this year in Congress and elsewhere about Trujillo, senior and junior. Yet I have not noticed any defense from the gentleman. Has he changed his mind about the Dominican Republic being, as he said last year, our ally, and good neighbor, and friend?

Third, does the gentleman disagree with the Vice President's recommendation, made when he returned from his South American tour, that our policy in Latin America should be a formal handshake for dictators and a warm embrace for democracies?

All the points regarding my actions last year in his remarks Friday have been answered by me previously. If any Member or reader of the RECORD would care to look at our various insertions, the places for the gentleman's insertions into volume 103 of the CONGRESSIONAL RECORD are, part 7, pages 8868–8869; part 7, pages 9219–9220; part 9, pages 11538–11539; part 9, pages 12232–12235; part 11, pages 14285–14287; part 12, page 15667; part 12, pages 15711–15712; part 12, pages 16549–16550.

The places of my insertions are CONGRESSIONAL RECORD, volume 103, part 8, page 10371; part 9, pages 12388–12390; part 12, page 15857; part 12, pages 16792–16793; and part 12, pages 16804–16805.

My final insertion last year in the Appendix applies to the gentleman's latest remarks, and under unanimous consent, I include it at this point in my remarks:

[From the CONGRESSIONAL RECORD, vol. 103, pt. 12, pp. 16804–16805]

LET'S LOOK AT THE RECORD

(Extension of remarks of Hon. CHARLES O. PORTER, of Oregon, in the House of Representatives, Friday, August 30, 1957)

Mr. PORTER. Mr. Speaker, the gentleman from Tennessee [Mr. REECE] has the audacity to state in the CONGRESSIONAL RECORD, volume 103, part 12, page 1511, that I have not given sufficient replies to questions he has asked me July 19 and August 9, 1957.

I invite any Member or other reader of the RECORD to read our respective statements and judge for himself.

I also point out that I have been very willing to debate these matters on the floor of the House, or elsewhere, whereas the intrepid gentleman from Tennessee confines his ill-informed sniping to insertions in the RECORD. I venture to hope he will eventually consent to pose his questions to me personally on the floor of this House, or elsewhere.

For the benefit of those who have not the time or facilities or disposition to read the previous exchanges, let me make these brief comments on the questions the gentleman lists in his August 29, 1957, insertion.

I adhere to my position that dictators should be overthrown and that I, along with most Americans, favor their being toppled by a revolution to bring justice and mercy back into government, peaceful revolution, if possible.

As for what the Costa Rican newspapers reported, if the gentleman objects to any story I will be glad to confirm or deny its accuracy. But I see no point in burdening the RECORD with these clippings. However, the gentleman, or any other person, may see these clippings in my office. I never have refused anyone access, contrary to the gentleman's assertion.

The matter of the trip expenses paid by the Colombian newspaper, El Tiempo, and by the Costa Rican Government has been fully explained and justified in these pages. The Library of Congress has approved every aspect. We have a favorable official legal opinion. I have not, it is true, asked the Attorney General. Why does not the gentleman do this. It is time he consulted some lawyer on this question.

As for the military advantages of the dictator-run countries in Latin America, I am most willing to debate this issue with the gentleman. The real issue is what policies are most effective in fighting international communism in Latin America.

I do not intend to embarrass any employees of the State Department by disclosing which of them favor an end to the "be soft to Latin American dictators" policy of Secretary Dulles and President Eisenhower.

As for the enthusiastic reception I received in Costa Rica, I point out to the gentleman that this was prior to my origination and introduction of an amendment to cut off aid to Nicaragua and other Latin American dictatorships.

As for the defeat (171 to 4) of the amendment in the House, I believe it was largely because it had had no committee hearings. I expect a better result next time.

If the gentleman cared to investigate even cursorily, he would find that I have consulted often with members of the House of Foreign Affairs Committee and the State Department, and I shall continue to do so.

I have not been silent in the face of these questions, contrary to the gentleman's astounding assertion. It is the gentleman who shuns debate and ignores and neglects the most elementary factfinding.

I repeat my request that the gentleman agree to debate these issues in person, on the floor or elsewhere. Let us have an end to his timid hit-and-run unilateral insertions in the RECORD.

On page 15186 of Friday's RECORD the gentleman states that I have "never chosen to answer" the connection between my "fervent reception in Costa Rica and subsequent anti-Nicaraguan proposal. This is not true and I am forced to conclude that the gentleman failed to read my insertion of September 3, 1957, set forth above. This emphasizes the importance of colloquies in such debates as compared to what I have called the gentleman's "timid hit-and-run unilateral insertions in the RECORD."

I shall not take the time of the House to repeat the answers I have made. If the gentleman has read my previous insertions and finds them in any way inadequate, I shall be glad to have his questions at the conclusion of these remarks.

I do want to make these observations, however, on the gentleman's latest insertion.

CARACAS

First, my enthusiastic reception in Caracas earlier this month was no tribute to me personally, but to the United States' democratic antityranny principles which I symbolized. I made certain that I circulated in many public places and never once did I hear an unfriendly word nor did I see a discourteous gesture. Mr. NIXON, on the other had, symbolized the administration's policies of treating Latin American tyrants with a warm embrace instead of a formal handshake.

REVOLUTIONARY ACTIVITIES

The gentleman is disturbed because I sympathize with expatriates of dictator-ridden nations. I do not collaborate with any revolutionary group, but I do make plain that I believe most Americans abhor police states and respect persons who want to replace them with democratic governments.

If I were a Dominican, a Cuban, Czechoslovakian, Hungarian, Chinese, Spaniard, or Russian, I would be a revolutionary. If I had lived in 1776 I would have joined the ranks of those fighting the tyrant George III of England. I believe the gentleman from Tennessee [Mr. REECE] would have done the same.

Recently in Venezuela I rejected invitations to talk on the radio with Fidel Castro and, later, to address a meeting of his adherents in Puerto Rico. I have not identified myself with any particular revolutionary group. Moral support for forces fighting cruel tyrannies by merely reciting our own history and most sacred principles is different from participation with a specific revolutionary group.

If the day ever should come that we cannot publicly call a tyrant a tyrant and praise governments that are based on the consent of the governed, it would be time for another revolution here.

ROMULO BETANCOURT

The gentleman's slurs about Romulo Betancourt are without basis in fact. He is not a Communist or a fellow traveler. He is an enemy of Communists. He is a great democratic leader. The gentleman's allegation regarding a connection between Romulo Betancourt and the Bogotá riots is absurd. I suggest that the gentleman undertake to consult the State Department regarding Betancourt. I did so much earlier.

Moreover, he might consider these remarks of Mr. Betancourt in my presence before 20,000 people and on a nationwide broadcast on July 4, 1958, in Caracas. Under unanimous consent, I include an excerpt of these remarks at this point:

ROMULO ON COMMUNISM AT NUEVO CICCO

A plot is going on against this uniting movement and against the regime of free discussion, of free organization, of respect

for all the ideas which exist in Venezuela; the supporters of dictatorships in this country, the partisans of government by force, the profiteers of disorder and administrative immorality which characterize despotic governments, are raising their heads and are trying to sweep a path, not for the fugitive (Pérez Jiménez), but for any other who will reestablish in Venezuela a system similar to his. And they have reinstituted that same system of anonymous pamphlets and of tossed sheets, before distributed by the police patrol cars and now by speeding automobiles, by mail, using all the other surreptitious methods of circulation.

In this literature it is said that in Venezuela there is social chaos, there is collective anarchy, there is absolute insecurity for investors, only because in Venezuela the people can congregate as we are congregated tonight, without fear of police persecution. And they add as one of the causes of danger in the present situation that all the parties, and especially Acción Democrática, is infiltrated to the marrow by Communist ideology.

On this theme we must speak with the clarity and the responsibility which characterizes our party. We sustain the legitimate right of the Communist Party to act in Venezuela [applause] as a legal organism. When we governed we respected that right. We believe that witch hunts in the 20th century are contrary to the very essence of a democratic government and everyone that holds an idea and propounds a doctrine has a perfect and legitimate right, within a democracy, to organize politically around that idea and around that doctrine. [Applause.] But Acción Democrática, not yesterday, nor today, nor tomorrow, has had, has, or will have ideological connivances with the Communist Party. [Applause.] The Communist Party is organized around an international doctrine; and the doctrine of Acción Democrática has been forged by sounding out and interpreting the national reality, and it is a doctrine of definite, of categorical, of unrevocable national and Venezuelan accent. [Ovation.]

"REVOLUTIONARIES AND RADICAL POLITICAL ELEMENTS"

The gentleman asserts I spent my time in Caracas with "revolutionaries and radical political elements." He is misinformed. I met with all political elements and their leaders. I met with journalists, with distinguished authors, with leading businessmen, with the junta, with student leaders, with labor leaders. I even spent part of an afternoon as the guest of a man who had I was told, just bought the Colonial Trust Co. in New York. His name is Salvadore Salvatierra. He is a friend and supporter of Romulo Betancourt, as are many leading industrialists and businessmen.

I have had only admiration for the reactions of the Vice President and Mrs. NIXON to the violence that erupted around them in Caracas. There is no basis in fact for the gentleman's implication that the ladies with me were less brave or gracious. For some reason of his own the gentleman omits all mention of the presence of my wife on this trip.

COMMUNISM IN VENEZUELA

The gentleman's lack of information about my activities in Caracas is evidenced again by his remarks on the subject of communism. Perhaps the gentleman's advisors or translators are not making all the facts available to him. I have several envelopes in my office filled with clippings from the Venezuelan press which make crystal clear my statements in Caracas regarding communism. I would be glad to let him see them. However, enough has appeared in English to leave no doubt as to my stand.

He could have read in the New York Times for July 5, 1958, as follows:

Mr. PORTER took advantage of his prestige in Venezuela today to warn against the dangers of communism and to emphasize United States friendliness in a television speech. "I am against all dictatorships and tyrannies," he said, "but we must not forget that tyrannies include communism." He applauded the three major political parties here—Acción Democrática, Copel (Catholic Socialist), and U. R. D. (Democratic Republican Union)—that have come out against communism in Venezuela.

In Caracas, the English language daily of July 8, 1958, headlined: "PORTER Warns Students of Communist Danger." The caption under my picture reads:

Congressman CHARLES O. PORTER tells university students and faculty members of the danger of communism in Venezuela. He pointed out at an informal talk yesterday at the vice rector's office at the Central University, that communism could very well mean a return to the tactics and tyranny of the government of deposed dictator Pérez M. Jiménez.

On July 9, the same English language newspaper, in an article by Jules Waldman, stated:

PORTER'S visit, observers agree, certainly helped to reaffirm Venezuela-United States friendship. And it also helped to warn the Venezuelan people against communism, for, respecting and admiring PORTER, they at least listen when he talks.

I would also like to call the gentleman's attention to my Caracas TV address, delivered at 9 p. m., Sunday night, July 5, 1958. It appears on page 14527 of the RECORD.

The gentleman quotes an editorial from a liberal Catholic weekly, with the plain implication that it is in disagreement with my views. This also is not true. I ask the gentleman to consider what La Religion, the leading Catholic daily in Caracas, said about my visit in its issue of July 5, 1958, and which I insert at this point:

[From La Religion of July 5, 1958]

FIRST GLANCES IN CONNECTION WITH THE ARRIVAL OF MR. PORTER

(By Presbipero Jose Hernandez-Chapellin)

The Venezuelan Association of Newspapermen, through its president, Orestes di Giacomo, invited Mr. PORTER, United States Congressman. He was accorded a sincere and enthusiastic welcome early yesterday morning in the international airport of Maiquetia. The reports carried in today's press can give an idea of his reception.

PORTER has to his credit an intense and well-intentioned struggle against the dictatorships which have oppressed and oppress the Spanish-speaking countries. He has known how to focus the various problems which concern us and with accurate vision has presented them before his colleagues in Congress.

This visit will bring, without doubt, a better understanding among the peoples of the United States and Venezuela. There in the north is held, we believe, a very different concept of us, a concept unflattering to us. Such an attitude went from bad to worse with the recent acts occurring upon the arrival of Mr. NIXON. There is an important fact in this respect, a fact which should not be underestimated: Our people do not have a prejudice against everything which comes from the north. Such an assertion would be false, or is false if put in categorical form. The most evident proof is that here no attempts were made, not even on the arrival of NIXON, against the North Americans who live among us. Many of them have spent long years in Venezuela. Never can they say that they have been molested, that life has been made impossible for them.

Our differences are based on certain misunderstandings of the Department of State with relation to our politics and our economy. If there were a change on their part, we could say that we had reached a climate of mutual understanding without the misunderstandings which form a barrier between the two countries. * * *

It is to be hoped that the visit of Mr. PORTER will dissipate the bad opinion which is formed of us in the northern country because of not knowing our points of view with relation to the mistaken policy which, in certain aspects, the Department of State has followed in Latin America.

Welcome, Mr. PORTER.

NIXON AND MILTON EISENHOWER

Within the past week I have been privileged to have personal conversations with the Vice President here and with Dr. Milton Eisenhower in Puerto Rico. I believe that both of them are sincerely interested in improving our Latin American policies. I found that they favor many steps I favor and have advocated. I know that the Vice President's suggestion that we give the formal handshake to dictators and the warm embrace to democracies is valid and should become our official policy. I know we are making headway in that direction, but that we have some distance still to go.

I shall continue to discuss developments with my friends in the State Department and on both sides of Congress. I was briefed in detail by Assistant Secretary Rubottom before I went to Venezuela. Indeed, I have always been ready, and am now ready, to discuss these issues with the gentleman from Tennessee or anyone else. I took the initiative last year in becoming acquainted with him, but since then we have only once exchanged greetings. I shall be glad to talk with the gentleman on or off the floor. Perhaps this could mean an end to insertions in the RECORD, made without the traditional courtesy of advance notice. I sincerely hope so.

SOCIAL SECURITY BENEFITS MUST BE INCREASED

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, I rise today because I am convinced that one of the most urgent matters awaiting action before this Congress is an increase in the amount of social security benefits paid to our retired population. Surely we cannot overlook the fact that the people now living on social security benefits have had no increase in the amount of these benefits since the 1954 amendments. During the interval the cost of living has increased by 8 percent. It is incumbent, therefore, upon this

Congress to make a corresponding cost-of-living increase for the 11 million persons now receiving social security benefits.

I am especially concerned, Mr. Speaker, because it is becoming increasingly evident that a very large proportion of our older people are dependent almost entirely on social security benefits. According to a recent survey conducted by the Bureau of Old-Age and Survivors Insurance of the Social Security Administration, half of the retired couples living on social security benefits had less than $180 per year—or $15 per month—in addition to their social security benefits, and the lowest fourth had no such income at all. The median total income of aged widow beneficiaries in addition to social security was $270 per year, or, a little over $20 per month. When we couple these figures with the fact that the average old-age benefit paid to a retired worker under social security today is a little under $65 per month—or $840 per year—I do not think it will be necessary for me to point out that our older men and women are simply not getting their fair share. Indeed, in too many cases they are forced to seek additional money from the "need test" old-age assistance programs, to eke out a bare living.

Increased benefits to social-security recipients would help to alleviate the effects of the recession upon the Nation's economy by providing increased purchasing power which would reflect itself in increased sales and services. Virtually every additional dollar that is paid to a recipient of old-age and survivors insurance will find its way readily into the market place. The senior citizen will need to spend it for food, clothing, medical bills, or any one of the many day-by-day necessities.

Mr. Speaker, I wish also to renew my plea for a reduction in the eligibility age to 60 years. This would be a most effective way of combating the recession, too, because many individuals would voluntarily retire if the retirement age were lowered, and this would create new job opportunities for younger citizens who enter the work force each year. The older worker could then feel free to make an independent decision as to whether he should continue to work. Of course, job opportunities for older citizens are becoming more difficult to find, and, as a matter of fact, the finding of employment constitutes a discouraging and baffling problem for almost any individual who has passed the 40th birthday. This is a problem which will tend to be compounded as we continue to move forward into an era of accelerated automation, and it makes imperative a lowering of the retirement age as a partial solution.

ITALIAN PROGRESS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I know that the membership of the House today enjoyed the wonderfully fine speech of Prime Minister Amintore Fanfani, of Italy, as much as I did. It was a speech that showed the tremendous economic progress, the tremendous courage, and the tremendous ability that Italy has demonstrated during the after-the-war period. The steady and successful fight against communism has been remarkable, and this confidence in Italy's stability and future was inspiring. I was in Italy in World War I, and I was in Italy for quite a time in 1944 in World War II. I know how much they have developed since then, and I am particularly pleased with the interest and, I might say, affection the Prime Minister showed for the United States, and a promise of cooperation with us and with the countries of the world that want freedom. He made promises to help turn back world communism, and will give suggested plans in the Middle East. It was a delightful, charming, and heart-warming speech.

I am extremely proud of the people of Italian descent in my District, and I have a great many of them. They have made very great contributions in the different wars. They have made fine contributions in every line of endeavor, in the arts, the sciences, in medicine and the legal professions, and in all kinds of trade, and in civic and national political life. They are wonderfully fine, loyal, and devoted citizens, and I rejoice in having them in my District.

ADDITIONAL BILL ON THE PROGRAM UNDER SUSPENSION OF THE RULES

Mr. McCORMACK. Mr. Speaker, in addition to the two bills for which I asked unanimous consent heretofore that the Speaker may recognize tomorrow under suspension of the rules, I also ask unanimous consent that the Speaker may recognize to suspend the rules tomorrow on the bill H. R. 13451, relating to the immigration status under the Immigration and Nationality Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FTC PLEDGES SECRECY FOR ROBINSON-PATMAN ACT COMPLAINTS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, an announcement has just been made by the Chairman of the Federal Trade Commission in which a pledge was made that there is no need for anyone, who files a complaint with the Federal Trade Commission about alleged unlawful acts of a competitor, to fear that his name will be revealed either to the competitor or the public.

At this point, if there is no objection, I would like to extend and revise my remarks by including the statement in the press regarding that announcement by the Chairman of the Federal Trade Commission. The account of that announcement appeared in the recent issue of Drug Topics. It is as follows:

[From Drug Topics, New York, N. Y., of July 7, 1958]

FTC HEAD PLEDGES SECRECY FOR ROBINSON-PATMAN ACT COMPLIANANTS

WASHINGTON.—There is no need for anyone who files a complaint with the Federal Trade Commission about alleged unlawful acts of a competitor to fear his name will be revealed either to the competitor or the public FTC Chairman John W. Gwynne told Drug Topics. The question arose out of the investigation by the House Subcommittee on Legislative Oversight, headed by Representative OREN HARRIS, Democrat, of Arkansas, into favors received by Presidential Assistant Sherman Adams from Bernard Goldfine, New England industrialist. In answering a query from Mr. Adams about a FTC case involving Mr. Goldfine, former Chairman Edward F. Howrey gave the name of the firm which had complained to FTC about illegal activities of one of Mr. Goldfine's firms.

This set off a controversy as to whether Mr. Howrey had violated FTC's rule about secrecy of complaints. This rule states that "it always has been, and now is, strict Commission policy not to publish or divulge the name of an applicant or complaining party." The FTC designates persons who file complaints as "applicant for complaint."

Mr. Gwynne assured Drug Topics that the rule is strictly observed by the present Commission. He said he knew of no instance of its violation. He emphasized the importance of keeping confidential the names of those who file complaints with FTC. Most of FTC's information about violations of the Robinson-Patman Act and other laws administered by FTC come from complaints from the public, Mr. Gwynne noted.

It appears that this announcement is of such interest and importance that small-business concerns should be fully advised about it. Therefore, I have written to the National Council for the Preservation of the Robinson-Patman Act to advise the membership of that group about it.

The Chairman of the Federal Trade Commission is to be commended for his announcement. Small-business concerns need the assurance he has given them. They do not want to be put in a position of having their larger competitors, against whom they make complaints, retaliate with devastating results.

GEOPHYSICAL YEAR

Mr. BOLAND. Mr. Speaker, less than 6 months remains for the worldwide scientific program known as the International Geophysical Year. Never before in history have so many scientists, numbering well over 10,000 from 64 participating nations, put their minds together to add to the world's basic

knowledge in the geophysical sciences and related disciplines.

The International Geophysical Year began on July 1, 1957, and is due to expire on December 31 next. United States participation in this program is sponsored by the National Academy of Sciences, which created a National Committee for the International Geophysical Year and designated the National Science Foundation to coordinate the interests of the Government to administer Government funds in support of the program.

As a member of the Appropriations Subcommittee for Independent Offices which appropriated funds to the National Science Foundation for the International Geophysical Year, I have listened to interesting and stimulating testimony and progress reports on the work of the scientists. My only regret is that the program is due to expire in December.

Mr. Speaker, I honestly feel that the information these scientists gather is of inestimable value to the human race and I urge the United States Committee and the National Science Foundation seek to have the program extended beyond December 31, 1958. I am sure that if the other participating nations agree to an extension, the Congress will provide the National Science Foundation with the funds necessary for carrying on this worthwhile program.

I would like to call to the attention of my colleagues an editorial from the Springfield (Mass.) Union on July 28 on the International Geophysical Year and include it with my remarks.

GEOPHYSICAL YEAR

The 10,000 scientists who have been combing the earth's surface—land, water, and air—in search of knowledge never heretofore possessed by man, may prove more fruitful for mankind than 90 percent of the efforts that have had the glare of public attention. Toiling in a vast cooperative effort called the International Geophysical Year, they have turned up countless remarkable discoveries in nearly every field of search.

All of them have the intangible merit of sharpening man's thinking about his planet, giving them a broader, deeper grasp of its strange workings and its relation to other planets, the sun and space itself. One of the big surprises, for instance, has been the discovery in the Southeast Pacific that millions of square miles of the ocean floor are strewn with needle-like projections of iron, manganese, nickel, and cobalt worth about $500,000 a square mile and considered recoverable. This is no minor find in a world where growing millions seem to be in a race with the earth's resources.

Long-term trends in climate and weather are vital matters to mankind. They affect what he can produce and where, and how he must live in various areas of the earth. A decisive factor in these trends is the size and depth and spread of the world's ice regions. Thus it is important that these scientists now find they may previously have underestimated by about 40 percent the volume of ice covering the earth—ice on Antarctica up to 14,000 feet deep.

Under the ocean the probers have found great mountain ranges, and flowing eastward through the Pacific a powerful river whose current is 1,000 times stronger than the Mississippi's. There is the amazing discovery of a huge radiation belt in outer space ranging from 600 to 4,000 miles out. The product of great currents of electrically charged particles spewed out of the sun, this band can interrupt radio communications and is believed to cause the celebrated aurora borealis—the northern and southern lights in the sky.

It's a pity these explorations will go on only another 6 months. There is so much more searching to be done everywhere. There should be such a study at least every 10 years. Man needs to know his earth better if he is to make it serve its mounting millions.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MULTER to transfer his special order for today to next Tuesday.

Mrs. DWYER, for 10 minutes, on Monday, August 4, 1958.

Mr. BYRD, today, for 10 minutes.

Mr. COLLIER, for 15 minutes, on Thursday next.

Mrs. ROGERS of Massachusetts, for 10 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MILLER of California and to include proceedings following a luncheon given by the National Historical Publications Commission notwithstanding the cost is estimated by the Public Printer to be $243.

Mr. LESINSKI (at the request of Mr. RABAUT).

Mr. MULTER and to include extraneous matter.

Mr. ROBERTS and to include a newspaper article.

Mr. SHEEHAN and include extraneous matter.

Mr. BYRD and to include extraneous matter.

Mr. BURNS of Hawaii and to include extraneous matter.

(At the request of Mr. MCCORMACK, and to include extraneous matter, the following:)

Mr. DENT in two instances.

Mr. DINGELL.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 163. An act to extend the period for filing claims under the War Claims Act of 1948; to the Committee on Interstate and Foreign Commerce.

S. 571. An act for the relief of George P. E. Caesar, Jr.; to the Committee on the Judiciary.

S. 761. An act for the relief of Charles C. and George C. Finn; to the Committee on the Judiciary.

S. 765. An act to increase the authorization for the appropriation of funds to complete the International Peace Garden, North Dakota; to the Committee on Interior and Insular Affairs.

S. 1416. An act granting the consent of Congress to a Great Lakes Basin compact, and for other purposes; to the Committee on Foreign Affairs.

S. 1439. An act to amend title 28, United States Code, with respect to fees of United States marshals; to the Committee on the Judiciary.

S. 1450. An act providing a method of determining the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them due to the cancellation of their grazing permits by the United States Air Force; to the Committee on the Judiciary.

S. 2001. An act for the relief of AlaLu Duncan Dillard; to the Committee on the Judiciary.

S. 2052. An act for the relief of Heinz Farmer; to the Committee on the Judiciary.

S. 2922. An act to authorize per capita payments to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3112. An act to provide for the appointment of an assistant to the Secretary of State to be known as the Assistant for International Cultural Relations; to the Committee on Foreign Affairs.

S. 3316. An act for the relief of Kiyoshi Ueda; to the Committee on the Judiciary.

S. 3330. An act for the relief of Leopoldo Rodriguez-Meza and Adela Rodriguez Gonzales; to the Committee on the Judiciary.

S. 3448. An act to authorize the acquisition and disposition of certain private lands and the establishment of the size of farm units on the Seedskadee reclamation project, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3615. An act for the relief of Wendy Levine; to the Committee on the Judiciary.

S. 3653. An act to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on Public Works.

S. 3665. An act for the relief of Choe Kum Bok; to the Committee on the Judiciary.

S. 3712. An act to authorize appropriations for continuing the construction of the Rama Road in Nicaragua; to the Committee on Public Works.

S. 3749. An act for the relief of Milan Boric; to the Committee on the Judiciary.

S. 3754. An act to provide for the exchange of lands between the United States and the Navaho Tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3780. An act for the conveyance of certain property in New Mexico to the Pueblo of Santa Domingo; to the Committee on Interior and Insular Affairs.

S. 3790. An act for the relief of Marie Silk; to the Committee on the Judiciary.

S. 3874. An act to amend section 4083, title 18, United States Code, related to penitentiary imprisonment; to the Committee on the Judiciary.

S. 3875. An act to amend section 2412 (b), title 28, United States Code, with respect to

the taxation of costs; to the Committee on the Judiciary.

S. 3876. An act to provide for the relocation of the National Training School for Boys, and for other purposes; to the Committee on Government Operations.

S. 3949. A act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; to the Committee on Interior and Insular Affairs.

S. 3972. An act for the relief of Knud Erik Didriksen, to the Committee on the Judiciary.

S. 3976. An act for the relief of Salvatore Verderaime; to the Committee on the Judiciary.

S. 4174. An act to authorize the distribution of copies of the CONGRESSIONAL RECORD to former Members of Congress requesting such copies; to the Committee on House Administration.

S. Con. Res. 102. Concurrent resolution accepting the statue of Dr. Florence Rena Sabin, to be placed in the Statuary Hall collection; to the Committee on House Administration.

S. Con. Res. 103—Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of the late Dr. Florence Rena Sabin and authorizing ceremonies on such occasions; to the Committee on House Administration.

S. Con. Res. 104. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Dr. Florence Rena Sabin; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6824. An act for the relief of the family of Joseph A. Morgan;

H. R. 7241. An act to amend section 6 of the act of March 3, 1921 (41 Stat. 1355), entitled "An act providing for the allotment of lands within the Fort Belknap Indian Reservation, Mont., and for other purposes";

H. R. 7267. An act for the relief of Charles J. Jennings;

H. R. 7375. An act for the relief of Edward J. Doyle and Mrs. Edward J. (Billie M.) Doyle;

H. R. 7576. An act to further amend the Federal Civil Defense Act of 1950, as amended, and for other purposes;

H. R. 7660. An act for the relief of Dan Hill;

H. R. 7681. An act to authorize the Secretary of the Interior to convey certain land with improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe;

H. R. 7684. An act to provide that the Secretary of the Navy shall transfer to David J. Carlson and Gerald J. Geyer certain interests of the United States in an invention;

H. R. 7734. An act to exempt certain teachers in the Canal Zone public schools from prohibitions against the holding of dual offices and the receipt of double salaries;

H. R. 8252. An act to amend section 3237 of title 18 of the United States Code to define the place at which certain offenses against the income-tax laws take place;

H. R. 8282. An act for the relief of James E. Driscoll;

H. R. 8444. An act for the relief of Lloyd Lucero;

H. R. 8645. An act to amend section 9, subsection (a), of the Reclamation Project Act of 1939, and for other related purposes;

H. R. 8875. An act for the relief of Mr. and Mrs. George Holden;

H. R. 9139. An act to amend the law with respect to civil and criminal jurisdiction over Indian country in Alaska;

H. R. 9181. An act for the relief of Herbert H. Howell;

H. R. 9222. An act for the relief of Dr. Edgar Scott;

H. R. 9397. An act for the relief of William T. Manning Co., Inc., of Fall River, Mass.;

H. R. 9885. An act for the relief of Frank A. Gyeseck;

H. R. 10142. An act for the relief of Hugh Lee Fant;

H. R. 10260. An act for the relief of Natale H. Bellocchi and Oscar R. Edmondson;

H. R. 10426. An act to provide that the Federal-Aid Highway Act of 1956 (Public Law 627, 84th Cong., ch. 462, 2d sess.) shall be amended to increase the period in which actual construction shall commence on rights-of-ways acquired in anticipation of such construction from 5 years to 7 years following the fiscal year in which such request is made;

H. R. 11305. An act to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses;

H. R. 11549. An act to provide for the preparation of a proposed revision of the Canal Zone Code together with appropriate ancillary material;

H. R. 12293. An act to establish the Hudson-Champlain Celebration Commission, and for other purposes; and

H. R. 13209. An act to provide for adjustments in the lands or interests therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof.

ADJOURNMENT

Mr. METCALF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 30, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2171. A letter from the Under Secretary of State, transmitting a report by the Department of State which contains a summary of developments for the calendar year 1957 on the program operating under section 2 of Public Law 584, 79th Congress (H. Doc. No. 427); to the Committee on Government Operations and ordered to be printed.

2172. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation for "Executive Mansion and Grounds" for the fiscal year 1959 has been apportioned on a basis which indicates the necessity for a supplemental or deficiency appropriation, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

2173. A letter from the chairman, House Committee on Agriculture, relative to executive communication No. 2136, dated July 17, 1958, relating to plans for works of improvement pertaining to Mill Creek watershed, Georgia, Obion Creek watershed, Kentucky, and Muddy Creek watershed, Mississippi and Tennessee, pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Appropriations.

2174. A letter from the chairman, House Committee on Agriculture, relative to executive communication No. 2162, dated July 24, 1958, relating to plans for works of improvement pertaining to Adobe Creek, Buena Vista Creek, and Central Sonoma watersheds, California, Upper Nanticoke River watershed, Delaware, Donaldson Creek watershed, Kentucky, Mud Creek watershed, Nebraska, Peavine Mountain Watershed, Nevada, Indian Creek watershed, Tennessee and Mississippi, and Coon Creek watershed, Wisconsin, pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Appropriations.

2175. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend section 2 (b) (5), title III of the District of Columbia Income and Franchise Tax Act of 1947, as amended, and for other purposes"; to the Committee on the District of Columbia.

2176. A letter from the Comptroller General of the United States, transmitting a report on the audit of accounts of finance officers of the Air Force for fiscal years ended June 30, 1956 and 1957, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

2177. A letter from the Director, Office of Defense and Civilian Mobilization, Executive Office of the President, transmitting a draft of certain amendments to both the bill and title of Senate Joint Resolution 106; to the Committee on Interstate and Foreign Commerce.

2178. A letter from the Under Secretary of the Navy, transmitting a report on the administrative adjustment of tort claims by the Department of the Navy for the fiscal year 1958, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

2179. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "A bill to amend section 3 of the act of March 2, 1931 (46 Stat. 1469), to increase the fees to be paid as compensation to certain persons making delivery of special-delivery mail"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2115. An act to amend the act of June 7, 1897, as amended, and section 4233 of the Revised Statutes, as amended, with respect to lights for vessels towing or being overtaken; without amendment (Rept. No. 2289). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 3499. An act to amend the vessel admeasurement laws relating to water ballast spaces; without amendment (Rept. No. 2290). Referred to the House Calendar.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 4002. An act to authorize the Gray Reef Dam and Reservoir as a part of the Glendo unit of the Missouri River Basin project; without amendment (Rept. No. 2291). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 3951. An act to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes,

so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes; without amendment (Rept. No. 2292). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 7779. A bill to authorize free transit at the Panama Canal for vessels operated by State nautical schools; without amendment (Rept. No. 2293). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 7860. A bill to amend section 1 of the act of July 24, 1956 (70 Stat. 625), entitled "To provide that payments be made to certain members of the Pine Ridge Sioux Tribe of Indians as reimbursement for damages suffered as the result of the establishment of the Pine Ridge aerial gunnery range"; with amendment (Rept. No. 2294). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 11581. A bill to remove wheat for seeding purposes which has been treated with poisonous substances from the "unfit for human consumption" category for the purposes of section 22 of the Agricultural Adjustment Act of 1933; with amendment (Rept. No. 2295). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 12494. A bill to authorize the Secretary of Agriculture in selling or agreeing to the sale of lands to the State of North Carolina to permit the State to sell or exchange such lands for private purposes; with amendment (Rept. No. 2296). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 13070. A bill to provide for the disposition of surplus personal property to the Territorial government of Alaska until December 31, 1959; with amendment (Rept. No. 2297). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. House Joint Resolution 672. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1959, and for other purposes; without amendment (Rept. No. 2298). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. Report pursuant to a proposed agreement for cooperation on the uses of atomic energy for mutual defense purposes (Rept. No. 2299). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 649. Resolution for consideration of S. 607, an act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes; without amendment (Rept. No. 2300). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 650. Resolution for consideration of S. 3497, an act to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; without amendment (Rept. No. 2301). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 651. Resolution for consideration of H. R. 9521, a bill to amend paragraph (k) of section 403 of the Federal Food, Drug, and Cosmetic Act, as amended, to define the term "chemical preservative" as used in such paragraph; without amendment (Rept. No. 2302). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 652. Resolution for consideration of H. R. 12751, a bill to amend the Shipping Act, 1916; without amendment (Rept. No. 2303). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 653. Resolution for consideration of H. R. 13549, a bill to increase benefits under the Federal old-age, survivors, and disability insurance system, to improve the actuarial status of the trust funds of such system, and otherwise improve such system; to amend the public assistance and maternal and child health and welfare provisions of the Social Security Act; and for other purposes; without amendment (Rept. No. 2304). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H. R. 13580. A bill to increase the public debt limit; to the Committee on Ways and Means.

By Mr. REED:

H. R. 13581. A bill to increase the public debt limit; to the Committee on Ways and Means.

By Mr. AYRES:

H. R. 13582. A bill to provide for a guaranty program for loans made to students to permit them to attend an institution of higher education, and a program to assist States to acquire laboratory equipment or to pay or supplement the salaries of science teachers in public secondary schools; to the Committee on Education and Labor.

By Mr. FASCELL:

H. R. 13583. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 13584. A bill to amend the Tariff Act of 1930 to place certain pumice stone on the free list; to the Committee on Ways and Means.

By Mr. HILL:

H. R. 13585. A bill to authorize the coinage of silver dollar pieces in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment in Colorado of the United States Air Force Academy; to the Committee on Banking and Currency.

By Mr. McVEY:

H. R. 13586. A bill to appropriate certain amounts for the authorized survey of the Little Calumet River, Ill. and Ind., and its tributaries; to the Committee on Appropriations.

By Mr. MADDEN:

H. R. 13587. A bill to appropriate certain amounts for the authorized survey of the Little Calumet River, Ill. and Ind., and its tributaries; to the Committee on Appropriations.

By Mr. RADWAN:

H. R. 13588. A bill to provide that a special gold star shall be added to the flag of the United States, in honor of the members of the Armed Forces who have died in the service of their country; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H. R. 13589. A bill to amend section 170 of the Internal Revenue Code of 1954 relating to unlimited deduction for charitable contributions; to the Committee on Ways and Means.

By Mr. WESTLAND:

H. R. 13590. A bill relating to the availability of appropriations for certain rivers and harbors projects commenced under the Public Works Appropriations Acts, 1956 and 1957; to the Committee on Appropriations.

H. R. 13591. A bill relating to the river and harbor project for Anacortes Harbor, Wash.; to the Committee on Appropriations.

By Mr. DENNISON:

H. R. 13592. A bill to provide that production machinery acquired during 1958 and 1959 and used in a trade or business may be depreciated over a 5-year period; to the Committee on Ways and Means.

By Mr. HAGEN:

H. R. 13593. A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to establish uniform provisions for transfer of acreage allotments; to the Committee on Agriculture.

By Mr. CANNON:

H. J. Res. 672. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1959, and for other purposes; to the Committee on Appropriations.

By Mr. HALEY:

H. J. Res. 673. Joint resolution to create the Quadricentennial Anniversary Commission of Florida, Inc., and to set forth the dates and places thereof; to the Committee on the Judiciary.

By Mr. HERLONG:

H. J. Res. 674. Joint resolution to create the Quadricentennial Anniversary Commission of Florida, Inc., and to set forth the dates and places thereof; to the Committee on the Judiciary.

By Mr. BONNER:

H. Res. 647. Resolution to provide additional funds for the studies and investigations to be conducted pursuant to House Resolution 149; to the Committee on House Administration.

By Mr. CRETELLA:

H. Res. 648. Resolution to authorize the Committee on Government Operations to conduct an investigation and study of the utilization of scientific and technical personnel by the Armed Forces; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 13594. A bill for the relief of Gino Bianchini; to the Committee on the Judiciary.

By Mr. COAD:

H. R. 13595. A bill for the relief of Mr. and Mrs. Christian Voss; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 13596. A bill for the relief of the North Shore Hospital, Inc.; to the Committee on the Judiciary.

By Mr. HEMPHILL:

H. R. 13597. A bill for the relief of Mrs. Leslie M. Wright; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 13598. A bill for the relief of Rolly R. Tatum; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 13599. A bill for the relief of Antonia Martinez; to the Committee on the Judiciary.

H. R. 13600. A bill for the relief of Mrs. Jue Chin Shee; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 675. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H. J. Res. 676. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.