

The Senator from Indiana has said he wants to get the Government out of the farming business. That is what the Secretary of Agriculture and the administration say they want, too. I should like to have the farmers have a chance to be in the farming business; and one of the ways to get that done is to have a sensible farm program which will provide marketing conditions which will be susceptible to fair prices and will give the farmers an opportunity to control their marketings, so they are not placed at the mercy of dumpings on the market during the harvest period, when the farmers must accept the prices which are offered, and so they will not have greatly reduced income with which to purchase in the nonmarketing periods the articles they need.

Mr. McNAMARA. Mr. President, will the Senator from Minnesota yield to me? Mr. HUMPHREY. I yield.

Mr. McNAMARA. I thank the Senator from Minnesota for yielding.

Mr. President, I hope the two Senators who are such experts—and I think it is encouraging to note that they agree—

Mr. HUMPHREY. We agree to disagree.

Mr. McNAMARA. I hope they will agree on the steps which need to be taken in order to decrease the surpluses. I think the Senator referred to \$9 billion worth of surplus agricultural products. Is that the correct figure?

Mr. HUMPHREY. We are talking about an investment on the part of the Commodity Credit Corporation of some \$9 billion in 1959, as compared with \$1,200 million in 1952, when there were in effect 90 percent of parity price supports.

Mr. McNAMARA. We have been reading in the newspapers and hearing statements to the effect that we have been shipping the surpluses to needy people throughout the world. Does the Senator say that, despite such a program, there are tied up \$9 billion worth of surplus foods?

Mr. HUMPHREY. That is the figure. The Senator's observation is correct. The trouble with our overseas program is that it is a program of limited duration and limited amounts. If it were properly developed, a great deal more would be done.

Mr. McNAMARA. Is the new committee which is to be headed by the distinguished Senator from Missouri [Mr. SYMINGTON] going to take into consideration the fact that there are still throughout the world hordes of hungry people who need the food surpluses? Will the committee give consideration to that fact?

Mr. HUMPHREY. Yes.

Mr. McNAMARA. While large surpluses have existed for 4 or 5 years, they have been building up to tremendous proportions; and yet there are many needy people throughout the world. Is it not correct to say that the problem involved is getting proper distribution of the food surpluses to hungry people, and that consideration of that problem should be brought into the picture?

Mr. HUMPHREY. The Senator is correct. Furthermore, there is involved

the question of utilizing our food and fiber as a part of our foreign program for peace and security in the world. Any administration that cannot plan how to use food and fiber for that purpose is, may I say, bankrupt in imagination and initiative.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 20, 1959, he presented to the President of the United States the enrolled bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

#### ADJOURNMENT

Mr. SMATHERS. Mr. President, I move that the Senate stand adjourned until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 13 minutes p.m.) the Senate adjourned until tomorrow, Thursday, May 21, 1959, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate May 20, 1959:

##### THE NATIONAL AERONAUTICS AND SPACE COUNCIL

William A. M. Burden, of New York, to be a member of the National Aeronautics and Space Council, to which office he was appointed during the last recess of the Senate.

Dr. John T. Rettallata, of Illinois, to be a member of the National Aeronautics and Space Council.

##### APPOINTMENTS IN THE NAVY AND MARINE CORPS

The nominations of David K. Bishop, and other officers for appointment in the Navy and in the Marine Corps, which were confirmed today, May 20, 1959, were received by the Senate on May 7, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of David K. Bishop which is shown on page 6912, and ending with the name of Herman B. West, which is shown on page 6919.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 20, 1959

The House met at 12 o'clock noon.

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

Psalm 118: 24: *This is the day which the Lord hath made; we will rejoice and be glad in it.*

O Thou who hast blessed us with the gift of a new day, may there be nothing in this day's work of which we shall be ashamed, when the sun has set nor at the eventide of our life when Thou shalt call us to Thyself.

Establish within us those loyalties and integrities which cannot be shaken but will be our support in our times of temptation and trial.

May the strength and splendor of our faith in Thee be made manifest as we

daily strive to discharge those tasks and responsibilities which Thou hast committed unto us.

Fill us with a deep longing to have a larger part in opening for men and nations everywhere the gateway to the more abundant life.

To Thy name we ascribe all the glory. 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, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4245. An act relating to the taxation of the income of life insurance companies.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 72. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1094) entitled "An act to amend the Bretton Woods Agreements Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. GREEN, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. HICKENLOOPER, and Mr. LANGER to be the conferees on the part of the Senate.

#### JOSE FIGUERES

Mr. PORTER. 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 Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I should like to call attention to the presence in the United States of the distinguished former President of Costa Rica, Jose Figueres, with his lovely American wife, Karen. Pepe, as he is affectionately known by his many friends in the Western Hemisphere and in Europe, has fought, with social, political, economic, and military weapons, against dictators and communism and for democracy and human rights.

Figueres, who is both an idealist and a practical politician, an economist, and a successful farmer, reports that we—the

free world, that is—are losing the cold war in Latin America, even though the fight against dictators is being won. He asks that we make our love of representative democracy better known. He asks that we concentrate on the development of trade, not aid.

I am sure, Mr. Speaker, that we warmly welcome this keen and salty leader of the free world fight in the Western Hemisphere. We respect him. We listen to him with special interest in this time when we want to develop a much more effective and friendly relationship with our good neighbors to the South.

#### DEPARTMENTS OF STATE, JUSTICE, AND THE JUDICIARY APPROPRIATION BILL

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, Thursday, to file a report on the bill making appropriations for the Departments of State, Justice, and the Judiciary, and related agencies.

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

There was no objection.

Mr. BOW reserved all points of order on the bill.

#### HON. JAMES L. WHITLEY

Mrs. WEIS. 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 gentlewoman from New York?

There was no objection.

Mrs. WEIS. Mr. Speaker, it is with a deep sense of regret that I report to the House the passing of a former colleague and one of my predecessors, the Honorable James L. Whitley, of Rochester, who passed away on Sunday evening.

Jim Whitley, who would have been 87 next Sunday, dedicated his entire life to the public service, and his friends and acquaintances among the leading political figures of his day were legion. Presidents, Governors, Senators, Congressman, State legislators—he was close to many of them. Perhaps even more important, he was equally close to a host of party workers and to the little people of our community.

A lifelong Republican himself, Jim Whitley's friendships knew no party bounds, and the late Al Smith, former Governor of New York and the 1928 Democratic Presidential candidate, was one of his closest and dearest friends.

He was a warm, outgoing man, whose greatest source of satisfaction came from serving the people he represented, and he served them long and well, in a variety of posts.

He was first elected to the New York State Legislature in 1906, and in 1918 he moved to the State senate, where he served with distinction until his election to the House of Representatives in 1928 as the Representative from New York's 45th District. In both Albany and Washington his record was a distinguished one.

Mr. Speaker, Jim Whitley was a personal friend of mine, and I know I speak for all of his friends when I say that he will be sorely missed. To his wife, Ora, and his son, Jim—both of whom have my deepest sympathy—I can say only that we who were privileged to know Jim and count him as a friend share fully in your deep sorrow at his passing.

#### APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The SPEAKER. The unfinished business is on the motion to suspend the rules and pass the bill H.R. 7007.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 294, nays, 128, not voting 11, as follows:

[Roll No. 46]

YEAS—294

Adair	Cohelan	Halleck
Addonizio	Conte	Halpern
Albert	Cook	Hargis
Alford	Cooley	Harmon
Anderson,	Corbett	Harris
Mont.	Cramer	Hays
Anfuso	Curtis, Mass.	Healey
Arends	Daddario	Hechler
Ashley	Dague	Herlong
Aspinall	Daniels	Hess
Avery	Davis, Tenn.	Hogan
Balley	Dawson	Holland
Baker	Delaney	Holt
Baldwin	Dent	Holtzman
Barden	Denton	Hosmer
Baring	Diggs	Huddleston
Barr	Dingell	Ikar
Barrett	Dixon	Irwin
Bass, N.H.	Dollinger	Jennings
Bass, Tenn.	Donohue	Johnson, Calif.
Bates	Dooley	Johnson, Md.
Baumhart	Dorn, N.Y.	Johnson, Wis.
Beckworth	Dorn, S.C.	Jones, Ala.
Belcher	Dowdy	Karsten
Bennett, Fla.	Downing	Karth
Bennett, Mich.	Doyle	Kasem
Betts	Dulski	Kastenmeier
Blatnik	Durham	Kearns
Blitch	Dwyer	Kee
Boland	Edmondson	Keith
Bolling	Elliott	Kelly
Bonner	Everett	Keogh
Bowles	Fallon	Kilday
Boykin	Farbsteln	Kilgore
Boyle	Fascell	King, Calif.
Brademas	Feighan	King, Utah
Breeding	Fenton	Kluczynski
Brewster	Fino	Kowalski
Brock	Fisher	Lafore
Brooks, La.	Flood	Lane
Brooks, Tex.	Flynn	Lankford
Brown, Ga.	Foley	Levering
Brown, Mo.	Forand	Libonati
Broyhill	Forrester	Lindsay
Buckley	Frazier	Loser
Burdick	Frelinghuysen	McCormack
Burke, Ky.	Friedel	McDonough
Burke, Mass.	Fulton	McDowell
Burleson	Gallagher	McFall
Cahill	Garmatz	McGinley
Canfield	Gathings	McGovern
Carnahan	Gavin	McSween
Carter	George	Macdonald
Casey	Gialmo	Machrowicz
Celler	Glenn	Mack, Ill.
Chelf	Grant	Mack, Wash.
Chenoweth	Gray	Madden
Chiperfield	Green, Oreg.	Mailliard
Clark	Green, Pa.	Martin
Coad	Griffiths	Matthews
Coffin	Hall	Morrow

Metcalf	Poage	Springer
Meyer	Porter	Staggers
Miller,	Powell	Stratton
Clement W.	Price	Stubblefield
Miller,	Prokop	Sullivan
George P.	Pucinski	Teague, Calif.
Miller, N.Y.	Quigley	Teague, Tex.
Milliken	Rabaut	Teller
Mills	Rains	Thompson, La.
Mitchell	Randall	Thompson, N.J.
Moeller	Reece, Tenn.	Thompson, Tex.
Monagan	Reuss	Thornberry
Montoya	Rhodes, Pa.	Toll
Moore	Riehlman	Tollefson
Moorhead	Riley	Trimble
Morgan	Rivers, Alaska	Udall
Morris, N. Mex.	Rivers, S.C.	Ullman
Morris, Okla.	Rodino	Vanik
Moss	Rogers, Colo.	Van Pelt
Moulder	Rogers, Fla.	Van Zandt
Multer	Rogers, Mass.	Vinson
Mumma	Rogers, Tex.	Wainwright
Murphy	Rooney	Wallhauser
O'Brien, Ill.	Roosevelt	Walter
O'Brien, N.Y.	Rostenkowski	Wampler
O'Hara, Ill.	Roush	Watts
O'Hara, Mich.	Rutherford	Weiss
O'Neill	Santangelo	Westland
Oliver	Saund	Whitener
Osmers	Saylor	Wier
Passman	Scott	Willis
Pelly	Selden	Withrow
Perkins	Shipley	Wolf
Pfost	Sisk	Wright
Philbin	Slack	Yates
Pilcher	Smith, Iowa	Young
Pillion	Smith, Miss.	Zablocki
Pirnie	Spence	Zelenko

NAYS—128

Abbt	Gross	Murray
Abernethy	Gubser	Natcher
Alexander	Hagen	Nelsen
Alger	Haley	Norblad
Allen	Hardy	Norrell
Andersen,	Harrison	O'Konski
Minn.	Hemphill	Ostertag
Andrews	Henderson	Patman
Ashmore	Hiestand	Poff
Auchincloss	Hoever	Preston
Ayres	Hoffman, Ill.	Qule
Becker	Hoffman, Mich.	Ray
Bentley	Hollifield	Rees, Kans.
Berry	Horan	Rhodes, Ariz.
Boggs	Hull	Robison
Bolton	Jackson	St. George
Bosch	Jarman	Schenck
Bow	Jensen	Scherer
Bray	Johansen	Schwengel
Broomfield	Johnson, Colo.	Shelley
Brown, Ohio	Jonas	Sheppard
Budge	Jones, Mo.	Short
Bush	Judd	Sikes
Byrnes, Wis.	Kilburn	Siler
Cannon	Kirwan	Simpson, Ill.
Cederberg	Kitchin	Smith, Calif.
Chamberlain	Knox	Smith, Kans.
Church	Landrum	Smith, Va.
Collier	Langen	Steed
Colmer	Latta	Taber
Cunningham	Lennon	Taylor
Curtin	Lipscomb	Thomas
Curtis, Mo.	McCulloch	Thomson, Wyo.
Davis, Ga.	McIntire	Tuck
Derounian	McMillan	Utt
Derwinski	Magnuson	Weaver
Devine	Mahon	Wharton
Evins	Marshall	Whitten
Flynt	Mason	Widnall
Ford	May	Williams
Fountain	Meador	Wilson
Gary	Michel	Winstead
Griffin	Minshall	Younger

NOT VOTING—11

Barry	Hébert	Nix
Byrne, Pa.	Laird	Roberts
Fogarty	Lesinski	Simpson, Pa.
Granahan	Morrison	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Fogarty with Mr. Barry.  
Mr. Hébert with Mr. Simpson of Pennsylvania.

Mr. Morrison with Mr. Laird.

Mr. HARRISON changed his vote from "yea" to "nay."

Mr. PATMAN and Mr. DAGUE changed their votes from "nay" to "yea." The result of the vote was announced as above recorded.  
The doors were opened.  
A motion to reconsider was laid on the table.

**TAXATION OF INCOME OF LIFE INSURANCE COMPANIES**

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, together with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.  
The SPEAKER. Is there objection to the request of the gentleman from Arkansas? The Chair hears none, and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, SIMPSON of Pennsylvania, and MASON.

**AGRICULTURAL LOANS**

Mr. AVERY. 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 Kansas?

There was no objection.  
Mr. AVERY. Mr. Speaker, several Members have questioned the full implication of the amendment I offered in the Committee of the Whole to the appropriation bill for the Department of Agriculture to limit the amount of a loan made to eligible producers by the Commodity Credit Corporation.

The limitation of \$50,000 which I have proposed on Commodity Credit Corporation loans is intended as a limitation on the total amount of loans to be made on any one commodity produced on any one farm as the term "farm" is defined by the regulation of the Department of Agriculture.

Mr. DINGELL. 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 Michigan?

There was no objection.  
Mr. DINGELL. Mr. Speaker, I am delighted to find that the House is at last going to have an opportunity to vote on the proposal to limit the amount of price supports which may be made available to any one producer. During the last session of Congress, I introduced H.R. 11905 for this purpose, and on May 18 of this year, I reintroduced this measure. It is H.R. 7182.

For years the farm program, originally intended to protect the family farm, has been used to protect those who grow enormous quantities of foods for storage rather than consumption. I made a study of the largest payments for price support operation and found that for four commodities the following amounts were paid to the largest single producer:

- Corn, \$138,627.04 in Indiana.
- Cotton, \$1,446,605.67 in Mississippi.
- Wheat, \$312,998.02 in Montana.
- Rice, \$705,648.83 in Texas.

Limitation of the amount payable to any one producer at the rate of \$50,000 per year will eliminate payments to less than 1 percent of our farms. According to the Library of Congress, only 134,000 farms, or fewer than 3 percent of all farms, sell products valued at more than \$25,000 annually.

The Michigan junior Senator, the Honorable PHILIP A. HART, and my good friend the senior Senator from Minnesota, the Honorable HUBERT H. HUMPHREY, have also long been interested in this matter.

**DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960**

The SPEAKER. The unfinished business is the motion to recommit offered by the gentleman from New York [Mr. TABER] on the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Without objection, the Clerk will again report the motion to recommit. There was no objection.

The Clerk read as follows:  
On page 27, line 18, strike out the period and insert "Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of \$50,000."

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

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

The yeas and nays were ordered. The question was taken; and there were—yeas 261, nays 165, not voting 7, as follows:

[Roll No. 47]  
YEAS—261

- |                |               |                |
|----------------|---------------|----------------|
| Adair          | Cahill        | Ford           |
| Addonizio      | Canfield      | Frelinghuysen  |
| Alger          | Carter        | Friedel        |
| Allen          | Casey         | Fulton         |
| Andersen,      | Cederberg     | Gallagher      |
| Minn.          | Chamberlain   | Garmitz        |
| Anderson,      | Chenoweth     | Gary           |
| Mont.          | Chipferfield  | Gavin          |
| Arends         | Church        | Glaimo         |
| Ashley         | Coad          | Glenn          |
| Auchincloss    | Coffin        | Gray           |
| Avery          | Cohelan       | Green, Oreg.   |
| Ayres          | Collier       | Griffin        |
| Baldwin        | Conte         | Griffiths      |
| Barr           | Cook          | Gross          |
| Barry          | Corbett       | Gubser         |
| Bass, N.H.     | Cramer        | Haley          |
| Bates          | Cunningham    | Halleck        |
| Baumhart       | Curtin        | Halpern        |
| Becker         | Curtis, Mass. | Hargis         |
| Beckworth      | Curtis, Mo.   | Harrison       |
| Belcher        | Daddario      | Hays           |
| Bennett, Fla.  | Dague         | Hechler        |
| Bennett, Mich. | Daniels       | Henderson      |
| Bentley        | Delaney       | Hess           |
| Berry          | Derounian     | Hiestand       |
| Betis          | Derwinski     | Hoeven         |
| Boggs          | Devine        | Hoffman, Ill.  |
| Boland         | Diggs         | Hoffman, Mich. |
| Bolton         | Dingell       | Holt           |
| Bosch          | Dixon         | Holtzman       |
| Bow            | Donohue       | Horan          |
| Bowles         | Dooley        | Hosmer         |
| Boyle          | Dorn, N.Y.    | Irwin          |
| Brademas       | Dowdy         | Jackson        |
| Bray           | Dwyer         | Jensen         |
| Brewster       | Fallon        | Johansen       |
| Brock          | Fascell       | Johnson, Md.   |
| Broomfield     | Feighan       | Johnson, Wis.  |
| Brown, Ohio    | Fenton        | Jonas          |
| Broyhill       | Fino          | Judd           |
| Budge          | Fisher        | Karth          |
| Burdick        | Flynn         | Kastenmeier    |
| Bush           | Foley         | Kearns         |
| Byrnes, Wis.   | Forand        | Keith          |

- |              |                 |                |
|--------------|-----------------|----------------|
| Kelly        | Monagan         | Saylor         |
| Kilburn      | Montoya         | Schenck        |
| Kilday       | Moore           | Scherer        |
| King, Calif. | Moorhead        | Schwengel      |
| King, Utah   | Morris, N. Mex. | Shibley        |
| Knox         | Mumma           | Short          |
| Kowalski     | Nelsen          | Simpson, Ill.  |
| Lafore       | Norblad         | Simpson, Pa.   |
| Lane         | O'Brien, N.Y.   | Smith, Calif.  |
| Langen       | O'Hara, Mich.   | Smith, Iowa    |
| Latta        | O'Konski        | Springer       |
| Lesinski     | O'Neill         | Stratton       |
| Levering     | Oliver          | Sullivan       |
| Lindsay      | Osmers          | Taber          |
| Lipscob      | Ostertag        | Taylor         |
| Loser        | Pelly           | Teague, Calif. |
| McCulloch    | Pfost           | Thomas         |
| McDonough    | Philbin         | Thompson, N.J. |
| McDowell     | Pillion         | Thomson, Wyo.  |
| McGinley     | Pirnie          | Tollefson      |
| McGovern     | Poff            | Udall          |
| McIntire     | Porter          | Utt            |
| Macdonald    | Price           | Vanik          |
| Machrowicz   | Pucinski        | Van Peit       |
| Mack, Ill.   | Quile           | Van Zandt      |
| Mack, Wash.  | Quigley         | Wainwright     |
| Magnuson     | Rabaut          | Wallhauser     |
| Mailliard    | Randall         | Walter         |
| Martin       | Ray             | Wampler        |
| Mason        | Rees, Kans.     | Weaver         |
| May          | Reuss           | Weis           |
| Meador       | Rhodes, Ariz.   | Westland       |
| Merrov       | Rhodes, Pa.     | Wharton        |
| Metcalf      | Riehlman        | Widnall        |
| Meyer        | Rivers, Alaska  | Wier           |
| Michel       | Robison         | Wilson         |
| Miller       | Rodino          | Withrow        |
| Clement W.   | Rogers, Colo.   | Wolf           |
| Miller,      | Rogers, Fla.    | Wright         |
| George P.    | Rogers, Mass.   | Yates          |
| Miller, N.Y. | Roosevelt       | Younger        |
| Milliken     | Roush           | Zablocki       |
| Minshall     | Rutherford      |                |
| Moeller      | St. George      |                |

NAYS—165

- |              |                 |                |
|--------------|-----------------|----------------|
| Abblitt      | Fountain        | Murray         |
| Abernethy    | Frazier         | Natcher        |
| Albert       | Gathings        | Norrell        |
| Alexander    | George          | O'Brien, Ill.  |
| Alford       | Grant           | O'Hara, Ill.   |
| Andrews      | Green, Pa.      | Passman        |
| Anfuso       | Hagen           | Patman         |
| Ashmore      | Hall            | Perkins        |
| Aspinall     | Hardy           | Pilcher        |
| Bailey       | Harmon          | Poage          |
| Baker        | Harris          | Powell         |
| Barden       | Healey          | Preston        |
| Baring       | Hébert          | Prokop         |
| Barrett      | Hemphill        | Rains          |
| Bass, Tenn.  | Herlong         | Reece, Tenn.   |
| Blatnik      | Hogan           | Riley          |
| Blitch       | Holifield       | Rivers, S.C.   |
| Bolling      | Holland         | Rogers, Tex.   |
| Bonner       | Huddleston      | Rooney         |
| Boykin       | Hull            | Rostenkowski   |
| Breeding     | Ikard           | Santangelo     |
| Brooks, La.  | Jarman          | Saund          |
| Brooks, Tex. | Jennings        | Scott          |
| Brown, Ga.   | Johnson, Calif. | Selden         |
| Brown, Mo.   | Johnson, Colo.  | Shelley        |
| Buckley      | Jones, Ala.     | Sheppard       |
| Burke, Ky.   | Jones, Mo.      | Sikes          |
| Burke, Mass. | Karsten         | Siler          |
| Burleson     | Kasem           | Sisk           |
| Byrne, Pa.   | Kee             | Slack          |
| Cannon       | Keogh           | Smith, Kans.   |
| Carnahan     | Kilgore         | Smith, Miss.   |
| Celler       | Kirwan          | Smith, Va.     |
| Chelf        | Kitchin         | Spence         |
| Clark        | Kluczynski      | Staggers       |
| Cooley       | Landrums        | Steed          |
| Davis, Ga.   | Lankford        | Stubblefield   |
| Davis, Tenn. | Lennon          | Teague, Tex.   |
| Dawson       | Libonati        | Teller         |
| Dent         | McCormack       | Thompson, La.  |
| Denton       | McFall          | Thompson, Tex. |
| Dollinger    | McMillan        | Thornberry     |
| Dorn, S.C.   | McSween         | Toll           |
| Downing      | Madden          | Trimble        |
| Doyle        | Mahon           | Tuck           |
| Dulski       | Marshall        | Ullman         |
| Durham       | Matthews        | Vinson         |
| Edmondson    | Mills           | Watts          |
| Elliott      | Mitchell        | Whitener       |
| Everett      | Morgan          | Whitten        |
| Evins        | Morris, Okla.   | Williams       |
| Farbstein    | Moss            | Willis         |
| Flood        | Moulder         | Winstead       |
| Flynt        | Multer          | Young          |
| Forrester    | Murphy          | Zelenko        |

NOT VOTING—7

- |          |          |         |
|----------|----------|---------|
| Colmer   | Laird    | Nix     |
| Fogarty  | Morrison | Roberts |
| Granahan |          |         |

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Laird for, with Mr. Morrison against.  
Mr. Fogarty for, with Mrs. Granahan against.

Mr. MACHROWICZ changed his vote from "nay" to "yea."

Mr. BAKER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. WHITTEN. Mr. Speaker, in my opinion, by the adoption of this motion the benefits of the farm program are destroyed and it will cost double to the Government. Do I have any discretion as to when I would be required to offer an amendment in accordance with the instructions of the House?

The SPEAKER. Under the motion offered by the gentleman from New York, the gentleman must do it forthwith.

Mr. WHITTEN. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill H.R. 7175 with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 27, line 18, strike out the period and insert:

*Provided further*, That no funds appropriated in this section shall be used to process a commodity credit loan which is in excess of \$50,000.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### HOUSING ACT OF 1959

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 57, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 19, page 89, which is the

first section of the committee amendment.

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

The Clerk read as follows:

Amendment offered by Mr. HERLONG: Strike out all after the enacting clause and insert in lieu thereof the text of H.R. 7117, as follows:

*"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the 'Housing Act of 1959'.

#### "TITLE I—FHA INSURANCE PROGRAMS

##### "Property improvement loans

"SEC. 101. Section 2(a) of the National Housing Act is amended by striking out 'September 30, 1959' and inserting in lieu thereof 'October 1, 1960'.

##### "Section 203 residential housing insurance

"SEC. 102. (a) (1) Section 203(b) (2) of the National Housing Act is amended by striking out '\$20,000' and inserting in lieu thereof '\$25,000'.

"(2) Section 203(b) (2) of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '\$16,000' each place it appears and inserting in lieu thereof '\$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(b) Section 203(b) (3) of such Act is amended by striking out 'thirty years' and inserting in lieu thereof 'thirty-five years'.

"(c) Section 203(b) (8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: '*Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness.'

"(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking in account delinquent payments or prepayments'.

##### "Low-cost housing in outlying areas

"SEC. 103. Section 203(i) of the National Housing Act is amended—

"(1) by striking out '\$8,000' and inserting in lieu thereof '\$9,000';

"(2) by inserting after '97 per centum' the following: '(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)'; and

"(3) by striking out ', and which is approved for mortgage insurance prior to the beginning of construction' and 'the construction of'.

##### "Section 207 rental housing insurance

"SEC. 104. (a) Section 207(c) (1) of the National Housing Act is amended by striking out '\$12,500,000' and inserting in lieu thereof '\$20,000,000'.

"(b) (1) Section 207(c) (2) of such Act is amended by striking out '90 per centum' each place it appears and inserting in lieu thereof '95 per centum'.

"(c) Section 207(c) (3) of such Act is amended by striking out—

"(1) '\$2,250' each place it appears and inserting in lieu thereof '\$2,850';

"(2) '\$8,100' each place it appears and inserting in lieu thereof '\$9,000';

"(3) '\$2,700' and inserting in lieu thereof '\$3,315';

"(4) '\$8,400' and inserting in lieu thereof '\$9,500'; and

"(5) '\$1,000 per room' and inserting in lieu thereof '\$1,250 per room';

"(6) '\$1,000 per space' and inserting in lieu thereof '\$1,500 per space'; and

"(7) '\$300,000' and inserting in lieu thereof '\$400,000'.

"(d) The last paragraph of section 207(c) of such Act is amended by striking out '4½ per centum per annum' and inserting in lieu thereof '5 per centum per annum'.

"(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage.'

##### "Cooperative housing insurance

"SEC. 105. (a) Section 213(b) (1) of the National Housing Act is amended by striking out '\$12,500,000' and inserting in lieu thereof '\$20,000,000'.

"(b) Section 213(b) (2) of such Act is amended to read as follows:

"(2) not to exceed for such part of the property or project as may be attributable to dwelling use, \$2,910 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed \$2,970 per room (or \$9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,910 per room to not to exceed \$3,395, the dollar amount limitation of \$2,970 per room to not to exceed \$3,465, the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400, and the dollar amount limitation of \$9,500 per family unit to not to exceed \$9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulations, increase any of the foregoing dollar amount limitations by not to exceed \$1,250 per room, with-

out regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further*, That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further*, That for the purposes of this section the term "veterans" shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955.

"(e) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: 'Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants.'

"(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(1) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided*, That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further*, That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further*, That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite.

"(e) (1) Section 213 of such Act is further amended by adding after subsection (1) (as added by subsection (d) of this section) the following new subsections:

"(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the "Management Fund") which shall be used by the Com-

missioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a) (1) and subsection (a) (3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of \$2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

"(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor: *And provided further*, That in no event may any such distributive shares be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(l) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred to as the "Sales Fund") which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a) (2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of \$1 million from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"(m) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and

amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further*, That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959.

"(2) Section 207(f) of such Act is amended by striking out 'and section 213' each place it appears and inserting in lieu thereof 'and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Management Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213'.

"(3) Section 213(a) (3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: '*Provided*, That as to mortgages the mortgage insurance for which is the obligation of the Management Fund such stock or interest shall be paid for out of the Management Fund;'

"(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: '*Provided*, That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b) (2) shall refer to the Sales Fund: *Provided further*, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b) (2) shall refer to the Management Fund.'

"(5) Section 213 (e) of such Act is amended to read as follows:

"(e) (1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a) (1) and subsection (a) (3) of this section except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213

(j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a) (1) and subsection (a) (3) of this section.

"(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a) (2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(1), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a) (2) of this section.

"(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(1), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to the Sales Fund, and (B) all references to section 207 or 210 in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section."

"(6) Section 219 of such Act is amended by striking out 'or the Servicemen's Mortgage Insurance Fund' and inserting in lieu thereof 'the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund'.

*"Increased mortgage amounts in Alaska, Guam, and Hawaii"*

"Sec. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after 'maximum or maxima otherwise applicable' the following: '(including increased mortgage amounts in geographical areas where cost levels so require).'

*"FHA mortgage insurance authorization"*

"Sec. 107. (a) Section 217 of the National Housing Act is amended by striking out '\$7,000,000,000' and inserting in lieu thereof '\$13,000,000,000'.

"(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out 'July 1, 1956' and inserting in lieu thereof 'July 1, 1959', and (2) striking out '\$13,000,000,000' and inserting in lieu thereof '\$4,000,000,000'.

*"Repeal of obsolete provision"*

"Sec. 108. Section 218 of the National Housing Act is repealed.

*"Section 220 mortgage insurance"*

"Sec. 109. (a) (1) Clause (i) of subsection (d) (3) (A) of section 220 of the National Housing Act is amended by striking out '\$20,000' and inserting in lieu thereof '\$25,000'.

"(2) Subsection (d) (3) (A) (i) of section 220 of such Act is further amended—

"(A) by striking out '85 per centum' and inserting in lieu thereof '90 per centum';

"(B) by striking out '\$16,000' each place it appears and inserting in lieu thereof '\$18,000'; and

"(C) by striking out '70 per centum' and inserting in lieu thereof '75 per centum'.

"(3) Subsection (d) (3) (A) (ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: 'Provided, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property

is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness'.

"(b) Subsection (d) (3) (B) (i) of section 220 of such Act is amended by striking out '\$12,500,000' and inserting in lieu thereof '\$20,000,000'.

"(c) Subsection (d) (3) (B) (iii) of section 220 of such Act is amended—

"(1) by striking out '\$2,250' each place it appears and inserting in lieu thereof '\$2,700';

"(2) by striking out '\$8,100' each place it appears and inserting in lieu thereof '\$9,000';

"(3) by striking out '\$2,700' and inserting in lieu thereof '\$3,150';

"(4) by striking out '\$8,400' and inserting in lieu thereof '\$9,500'; and

"(5) by striking out '\$1,000' and inserting in lieu thereof '\$1,250'.

*"Section 221 relocation housing mortgage insurance"*

"Sec. 110. (a) Section 221(d) (2) of the National Housing Act is amended by striking out '\$9,000' and '\$10,000' and inserting in lieu thereof '\$10,000' and '\$12,000', respectively.

"(b) Section 221(d) of such Act is further amended—

"(1) by striking out '\$9,000' and '\$10,000' in paragraph (3) and inserting in lieu thereof '\$10,000' and '\$12,000', respectively;

"(2) by striking out 'the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated' in paragraph (3) and inserting in lieu thereof 'the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project';

"(3) by striking out 'and' at the end of paragraph (3) and inserting in lieu thereof 'or'; and

"(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed \$12,500,000;

"(ii) not exceed \$10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed \$12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

*Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: And provided further, That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and'*

"(c) Section 221(g) (2) of such Act is amended by striking out 'paragraph (3)' and inserting in lieu thereof 'paragraph (3) or (4)'.

"(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d) (4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families.'

*"Servicemen's housing mortgage insurance"*  
"Sec. 111. Section 222(b) of the National Housing Act is amended—

"(1) by inserting 'or 203(1)' after '203(b)' in paragraph (1); and

"(2) by striking out '\$17,100' in paragraph (2) and inserting in lieu thereof the following: '\$20,000, except that in the case of a mortgage meeting the requirements of section 203(1) such principal obligation shall not exceed \$9,000'.

*"Builder's cost certification"*

"Sec. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: '(iv) under section 221 if the mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof.'

*"Mortgage insurance for nursing homes"*

"Sec. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

*"Mortgage insurance for nursing homes"*

"Sec. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws

of the State where the facility is located; and

"(2) the terms "mortgage" and "mortgagor" shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed \$1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section.

"(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d)) the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 229.'

#### Technical amendments

"Sec. 114. (a) Section 8(g) of the National Housing Act is amended by striking out 'and (h) of section 204' and inserting in lieu thereof '(h), (j), and (k) of section 204'.

"(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out '(j) of section 204' and inserting in lieu thereof '(j) and (k) of section 204'.

#### Inclusion of conveyance costs in debentures

"Sec. 115. Section 204(k) of such Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such section, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagor with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagor and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagor for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagor's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagor, or in the event the contract of insurance is terminated pursuant to section 230.'

#### Voluntary termination of insurance

"Sec. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

#### Voluntary termination of insurance

"Sec. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagor and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagors shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage.'

#### TITLE II—HOUSING FOR THE ELDERLY

"Sec. 201. (a) Title II of the National Housing Act is further amended by adding after section 230 (as added by section 116 of this Act) the following new section:

#### Housing for the elderly

"Sec. 231. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons.

"For the purposes of this section—

"(1) the term "housing" means a project or property having eight or more new or rehabilitated living units, specially designed for the use and occupancy of elderly persons;

"(2) the term "elderly person" means any person, married or single, who is sixty years of age or more;

"(3) the terms "mortgage", "mortgagor", "mortgagor", and "maturity date" shall have the meanings set forth in section 207 of this Act.

"(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

"(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

"(1) involve a principal obligation in an amount not to exceed \$20,000,000, or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, and methods of operation, not to exceed \$50,000,000;

"(2) not exceed, for such part of such property or project as may be attributable to dwelling use, \$8,100 per living unit; *Provided*, That the Commissioner may, in his discretion, increase the dollar amount limitation of \$8,100 per unit to not to exceed \$8,400 per unit to compensate for the higher costs incident to the construction of elevator-type structures and may increase each of the foregoing dollar amount limitations by not to exceed \$1,000 per room in any geographical area where he finds that cost levels so require;

"(3) if executed by a mortgagor, which is a public instrumentality or a private nonprofit corporation, association, or organization acceptable to the Commissioner, involve a principal obligation not in excess of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner);

"(4) if executed by a mortgagor approved by the Commissioner which is not a nonprofit corporation, association, or organization, involve a principal obligation not in excess of 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed improvements are completed (the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire, for not to exceed \$100, such stock or interest in any such mortgagor as the Commissioner deems necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance);

"(5) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe;

"(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time;

"(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, which is specially designed for the use and occupancy of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

"(d) The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to occupy such property.

"(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m),

(n), and (p) of section 207 of this Act shall apply to mortgages insured under this section, and all references therein to section 207 shall refer to this section.

"(b) Section 212(a) of such Act is amended by adding before the period at the end thereof ', and to the insurance of any mortgage under section 231(c)(4)'. "

"TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

"Sec. 301. Section 302(b) of the National Housing Act is amended by striking out 'exceeds or exceeded \$15,000 for each family residence or dwelling unit covered by the mortgage' and inserting in lieu thereof 'exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, \$18,000 in the case of a mortgage to be purchased under section 304 or \$17,500 in the case of a mortgage to be purchased under section 305'.

"Sec. 302. (a) Section 301(a) of the National Housing Act is amended by inserting before the semicolon at the end thereof the following: ', and by aiding in the stabilization of the mortgage market'.

"(b) Section 304(a) of such Act is amended by striking out the last three sentences and inserting in lieu thereof the following: 'The Association shall, from time to time, establish and publish prices to be paid by it for mortgages purchased by it in its secondary market operations under this section. The volume of the Association's purchases and sales and the establishment of purchase prices, sales prices, and charges or fees in its secondary market operations under this section shall be so conducted as to promote the interests of the national economy by aiding in the stabilization of the mortgage market to the maximum extent consistent with sound operation, and within the reasonable capacity of the Association to sell its obligations to private investors. The Association shall buy at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate within its income derived from such secondary market operations and to be fully self-supporting. Notwithstanding any other provision of this section, advance commitments to purchase mortgages in secondary market operations under this section shall be issued only at prices which are sufficient to facilitate advance planning of home construction, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments.'

"(c) The last sentence of section 304(a) of such Act, as amended by subsection (b) of this section, is amended by striking out 'advance planning of home construction' and inserting in lieu thereof 'home financing'.

"Sec. 303. Section 305(e) of such Act is amended—

"(1) by striking out 'which do not exceed \$200,000,000 outstanding at any one time' and inserting in lieu thereof 'not exceeding \$200,000,000 at any one time, which limit shall be increased by such amounts, not exceeding \$75,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '\$20,000,000 outstanding at any one time' the following: ', which limit shall be increased by such amounts, not exceeding \$7,500,000, as may be specified from time to time in appropriation Acts';

"(3) by striking out 'a consumer cooperative, and (2)' and inserting in lieu thereof the following: 'a consumer cooperative, which amount shall be increased by such amounts, not exceeding \$37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding \$37,500,000 as may be

specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3)'; and

"(4) by striking out 'which are not of the type described in clause (1) of this proviso' and inserting in lieu thereof 'other than those certified by the Commissioner as consumer cooperatives under clause (1) of this proviso, which amount shall be increased by such amounts, not exceeding \$7,500,000, as may be specified from time to time in appropriation Acts'.

"Sec. 304. (a) That part of the first sentence of section 302(b) of the National Housing Act which precedes the colon is amended by striking out 'to make commitments to purchase' and to purchase, service, or sell,' and by substituting therefor 'to purchase, lend (under section 304) on the security of, service, or sell, pursuant to commitments or otherwise,'.

"(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: '; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304'.

"(c) The first sentence of section 303(c) of such Act is amended by inserting 'or borrower' after 'seller' each place it appears.

"(d) Section 304(a) of such Act is amended by inserting '(1)' before 'To carry out', and by adding at the end thereof the following new paragraph:

"(2) To carry out further the purposes set forth in paragraph (a) of section 301, the Association is authorized to make loans which are secured by residential or home mortgages insured or guaranteed under this Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code. In the interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section shall not exceed 90 per centum of the unpaid principal balances of the mortgages securing the loan, shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors, and shall mature in not more than twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. The aggregate amount of all loans outstanding at any one time under this paragraph shall not exceed 10 per centum of the Association's total borrowing authority under this section. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall

become the absolute property of the Association.'

"(e) Section 304(b), section 309(c), and section 310 of such Act are each amended by inserting 'or other security holdings' after 'mortgages'.

"Sec. 305. (a) Sections 304(b) and 306(b) of the National Housing Act are amended by striking out 'and bonds or other obligations of, as bonds or other obligations guaranteed as to principal and interest by, the United States' and inserting in lieu thereof 'and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds'.

"(b) Section 310 of such Act is amended by striking out 'in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States' and inserting in lieu thereof 'in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds'.

"Sec. 306. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection.'

"(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

"TITLE IV—URBAN RENEWAL

"Sec. 401. Section 103(b) of the Housing Act of 1949 is amended by inserting after the first sentence the following new sentence: 'In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of \$100,000,000 for the fiscal year 1959 and the sum of \$250,000,000 for each of the fiscal years 1960 and 1961; and any such sum so appropriated shall remain available until expended.'

"Sec. 402. Section 102 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(h) There are authorized to be appropriated such sums, not to exceed \$400,000,000 in the aggregate, as may be necessary, in addition to funds obtained by the Administrator under (and within the limitations of) subsection (e), for loans under this title.'



## "TITLE V—COLLEGE HOUSING

"Sec. 501. Section 401(d) of the Housing Act of 1950 is amended—

"(1) by inserting after '\$925,000,000' the following: ', which limit shall be increased by such amounts, not exceeding \$200,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '\$100,000,000' the following: ', which limit shall be increased by such amounts, not exceeding \$20,000,000, as may be specified from time to time in appropriation Acts'; and

"(3) by inserting after '\$25,000,000' the following: ', which limit shall be increased by such amounts, not exceeding \$20,000,000, as may be specified from time to time in appropriation Acts'.

"Sec. 502. (a) Section 404(b) of the Housing Act of 1950 is amended by striking out 'and (4)' and inserting in lieu thereof '(4)' and by inserting before the period at the end thereof the following: ', and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection'.

"(b) Section 401 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In the case of any loan made under this section to a nonprofit student housing cooperative corporation referred to in clause (5) of section 404(b), the Administrator shall require that the note securing such loan be cosigned by the educational institution (referred to in clause (1) of such section) at which such corporation is located; and in the event of the dissolution of such corporation, title to the housing constructed with such loan shall vest in such educational institution.'

"Sec. 503. Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.'

## "TITLE VI—AVOIDANCE OF FORECLOSURE

"Sec. 601. Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ': And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this title, if the Commissioner finds after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures'.

## "TITLE VII—MISCELLANEOUS

## "Reacquisition by former owners

"Sec. 701. (a) Title IX of the National Housing Act is amended by adding at the end thereof the following new section:

"Sec. 909. Notwithstanding any other provision of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under the provisions of this title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers.'

"(b) Section 608 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provisions of law the Commissioner is authorized, in the disposal of properties acquired by him in insurance operations under this section, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties: *Provided*, That such former mortgagor-owners shall be required, under such procedures as may be established from time to time by the Commissioner, to offer prices and terms reasonably commensurate with the value of such properties and not less favorable than prices and terms offered by other prospective purchasers.'

## "Surveys of public works planning

"Sec. 702. Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator is authorized to use during any fiscal year not to exceed \$50,000 of the moneys in the revolving fund (established under section (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent.'

## "Disposal of Passyunk and Newport war housing projects

"Sec. 703. (a) The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as 'low-rent housing' as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 806(b) of the Act entitled 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

"(b) Section 406(c) of the Housing Act of 1956 is amended by striking out 'three years' in the first proviso and inserting in lieu thereof 'five years'.

## "Farm housing research

"Sec. 704. Section 603(c) of the Housing Act of 1957 is amended to read as follows:

"(c) The authority of the Housing and Home Finance Agency to make grants under subsection (b) shall expire June 30, 1962. The total amount of such grants shall not exceed \$300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed \$50,000 during each of the fiscal years ending June 30, 1960, and June 30, 1961.'

## "Hospital construction

"Sec. 705. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out '1958' and inserting in lieu thereof '1960'.

"(b) Section 605(c) of the Housing Act of 1956 is amended by inserting before the period at the end thereof the following: ', and the sum of \$7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1959, and June 30, 1960.'

## "Real estate loans by national banks

"Sec. 706. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits.'

## "Savings and loan associations

"Sec. 707. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: 'and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association:'.

"(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection.'

## "Voluntary home mortgage credit program

"Sec. 708. Section 610(a) of the Housing Act of 1954 is amended by striking out 'July 31, 1959' and inserting in lieu thereof 'July 31, 1961'.

## "Housing for migratory farm labor

"Sec. 709. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

## "Insurance of farm housing loans made by private lenders

"Sec. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to farmers, associations of farmers, and county governments for the purpose of providing dwelling accommodations and related buildings and structures for migratory farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall be insured in an amount in excess of 90 per centum of the value of the farm involved less any prior liens in the case of a loan to an individual farmer, or 90 per centum of the total value

of the structures and facilities with respect to which the loan is made in the case of a loan to an association of farmers or a county government;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 6 per centum per annum;

"(3) the borrower shall be required to pay such insurance charges as the Secretary deems proper, taking into account the amount of the loan and any prior liens. The initial insurance charge shall be at a rate not to exceed 1 per centum on the principal amount of the loan, and additional charges annually thereafter shall be at a rate not to exceed 1 per centum of the outstanding principal balance of the loan after each annual installment due date;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13(b) and (c) of such Act (7 U.S.C. 1005c) (b) and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) one-half of all insurance charges shall become a part of the insurance fund. The other half of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers' Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed \$25,000,000 in any one fiscal year.

"(e) Amounts made available pursuant to sections 511 and 513 of this Act shall be available for administrative expenses incurred under this section."

"(b) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C., sec. 371) is amended by inserting after 'the Act of August 28, 1937, as amended' the following: ', or title V of the Housing Act of 1949, as amended'."

Mr. HERLONG (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed

with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Chairman, I do not think there is any need to go into a lengthy discussion of this substitute at this time. It was thoroughly discussed, and I believe reasonably well explained during general debate on yesterday.

As I said at that time, I commend the housing subcommittee and its distinguished chairman, the gentleman from Alabama [Mr. RAINS] for the time and effort that they have put into bringing out a housing bill. There are some of us, however, who believe, as is our right, that the bill goes too far at this time. It would be fine if we could give everyone everything that they asked for, not only in this bill, but in all of the other bills that require Federal money. But, we just have not reached a high enough plateau financially to afford that.

Mr. Chairman, what I propose as a substitute is something which is not only within our reach, but will maintain our fiscal responsibility; will be within the budget, and which, more importantly, can become law. The two principal differences between the substitute and the committee bill are the elimination of further authorizations for public housing at this time and the requirement that the new authorization for moneys provided for be cleared by the Committee on Appropriations.

We have enough public housing units already authorized to keep us busy for about 3 years. If it develops next year, or later, that more are needed, the Congress will have an opportunity to work its will on them at that time.

May I also remind the committee that there are 45,000 units in the bill which passed the other body and which will be held in conference with whatever bill the House passes so you are not voting against any possibility of additional public housing units even now if you vote for the substitute.

The principle of requiring the Appropriations Committee to approve all new money authorizations seems to meet with almost universal approval. The only question that has been raised in this connection is—When do we start? I suppose it is just like saving money; there seems to be no convenient time to start. Believe me, I do not defend the action that has been taken so far in this Congress on certain bills to bypass the Appropriations Committee. I agree with the gentleman from Texas [Mr. PATMAN], who said that the principle of going to the Appropriations Committee for all new moneys ought to be applied to everything. But I do not agree that we should continue postponing the application of such a principle. Anyway, the issue is clear, and you will have an opportunity to express your will as to these principles.

Mr. Chairman, rather than submit these amendments one at a time, I have simply included them in one amendment in the nature of a substitute. I submit that there is a great possibility that those of you who are interested in the

most liberal possible housing bill will come nearer getting it under this substitute than you will if you go back and amend the committee bill section by section. For example, there is \$600 million in my substitute for urban renewal. There are a number of States in the United States including my own State of Florida, that cannot possibly benefit by this provision, and on the direct issue of whether or not there will be any urban renewal in the bill, many Members who could vote for the substitute might have to vote for an amendment to strike the whole title dealing with urban renewal from the bill because their States could not participate.

I regret, Mr. Chairman, that there has been a feeling expressed that what I have done in offering this substitute has been interpreted in some quarters as a lack of appreciation of the splendid work of the distinguished members of the Subcommittee on Housing. Believe me, I do appreciate the fine work that they have done and I think the fact that over 80 percent of the substitute bill which I have offered is exactly like the committee bill proves that that is the fact. There are some of us, however, who differ in philosophy from the majority of the members of that subcommittee, and I have tried to express that difference in my substitute so that there could be a clear-cut choice by the Members. I intended, and certainly hoped, that my offering of this substitute would instead be interpreted as an effective way to break the logjam that was holding up consideration of a housing bill in this House and give us an opportunity to work our will on such a bill. I think all of you know and will certainly agree that that has been accomplished by the offering of this substitute.

Mr. McDONOUGH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think yesterday we reviewed the contents of the committee bill and some reference to the substitute bill was made in general debate.

There are some points I think that ought to be emphasized so far as the committee bill is concerned that are very devastating so far as the impact on the budget is concerned. And in spite of the fact that my distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS], for whom I have a great deal of respect, has implied that it will not increase the budget by more than \$100 million, I should like to call your attention to the fact that on the urban renewal section of his bill alone, which provides for \$500 million for each year for the next 3 years, you could commit this Nation to \$1.5 billion in the next 14 months and tie the hands of the Committee on Appropriations to the point where such commitments are obligations and have to be met with appropriations.

The spending authorizations in the committee bill will increase the deficit in the current fiscal year and will result in increased budget expenditures in every year for the next 45 years because of the public housing section of the bill. The total new authorized budget expenditures impact of the bill is \$5.8 billion. The argument has been made that it is less than that or about half that.

The actual figures are that it will total that over the life of the public housing section of the bill.

Another point is, if we should obligate ourselves for the total urban renewal obligations of the committee bill, even if we did that in the next 2 years, that is an offer to the city for additional aid that they may anticipate in future authorizations in a housing bill, and we will be obligating ourselves to rehabilitate the major cities of the Nation for years to come.

I think we ought to give some consideration to the fact that this is, as was stated yesterday by one of the Members in general debate, the first approach to the major spending program of this Congress because you have coming to you from the Committee on Banking and Currency an area development bill which will be an obligation of some \$480 million for area development. You have a community facilities bill which amounts to some \$2 billion for low-interest, long-term loans for the building of many public facilities that cities, counties, and States may make application for. You have pending in the Labor and Education bill an aid to education bill of some \$4,400 million. That has not been reported, but nevertheless it is under consideration. In other words, we should stop and consider how far we are going to go in doing the things that the States, cities, and counties are incorporated to do for themselves. Are we going to build all of the highways and all of the sewage-disposal plants and build all of the public housing facilities—and incidentally, there are a number of States that have their individual independent public housing authorities that are not seeking any aid from the Federal Government. Are we going to take all of these responsibilities and make one large massive Central Government in Washington to dictate to the various political subdivisions throughout the country? Those are the things that I see as a danger in the committee bill as an approach in that direction. The Herlong bill would, on the contrary, offer a reasonable program for a reasonable amount of money to meet the demanding sections of urban renewal for some \$600 million for the next 2½ years.

Another feature, I think, that we should not overlook is the tax-exemption privilege of the purchasers of public housing bonds. That is, the local authority can issue bonds to build these facilities and they are offered on the market on a tax-free basis. They are very attractive investments, but the Federal Government in its budgetary obligations must provide not only the substance to support these bonds, but the capital to maintain all of these facilities throughout the United States, and it is now amounting to something like \$3 billion, and the added public housing units that will be in the committee bill will add another \$3 billion.

Mr. Chairman, I urge the adoption of the Herlong amendment.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in more time than I have now, on yesterday, I attempted to

point out the fact that it would be better in this instance to legislate in an orderly manner. I pointed out the fact also that if the gentleman from Florida [Mr. HERLONG] really wanted the amendment which he has mentioned, he would be in a better position to offer individual amendments to the committee bill instead of attempting to disrupt the legislative process by forming a coalition with our friends on the other side of the aisle and accepting a bill which my friends over here opposed in the committee. Practically every single item of title I was opposed by people of the Housing Agency as being inflationary and too liberal. But, in an effort to lure certain free enterprise groups into the snare of bypassing our committee, they accepted these inflationary things which they once so labeled and now come in and say this is wonderful legislation.

In doing it, Mr. Minority Leader, they leave aside the administration bill introduced by request by my friend the ranking Republican member of the Committee on Banking and Currency; and the bill is a bill upon which the present committee bill is in many respects patterned. I do not indeed understand the necessity—

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

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

Mr. HALLECK. The gentleman speaks of this being an unusual procedure.

Mr. RAINS. Yes.

Mr. HALLECK. I call the gentleman's attention to the fact that just a few days ago in the case of the Railroad Retirement and Unemployment Compensation Act the House had before it a very good bill worked out by the committee. A substitute was offered and that substitute prevailed in the House, exactly the same thing as the gentleman now complains is wrong.

Mr. RAINS. I will say that is the truth and I voted for the substitute, but it was a substitute which was properly introduced, by the chairman of that committee. In addition to that, it did not come out of thin air like this Herlong substitute, which was not even printed when the rule on the bill was granted, and without even the chairman of the subcommittee being shown the courtesy of seeing it. Is that an analogous case? Absolutely not.

What I want to know is this: Does the minority leader believe that the proper thing is to take a bill not even printed at the time the rule was granted, making this bill in order, and then start holding caucuses and conferences on a bill that was not even printed, much less considered by the Housing Committee of this House?

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

Mr. RAINS. I do not yield further, not yet. I will say to my friends on this side of the aisle that this is a cleverly contrived deceptive proposition—and I am certain my good friend from Florida [Mr. HERLONG] did not realize it; he does not pose as any housing expert—this is a cleverly conceived piece of legislation aimed at two things: (1) Overthrow of

the Democratic leadership in the Congress no matter what we have to take to do it; and (2) to give the private enterprise groups all they want, and at the same time kick the public interest groups in the teeth and give them nothing. That is what this bill is.

I say to you that the people of America are looking for college housing aids to a much greater extent than those proposed in the Herlong bill—they are looking for urban renewal, for public housing, for housing for the old folks that will really work. They do not want one of these hastily concocted, ill-conceived pieces of legislation not dedicated to the purpose of housing to become the law of this land.

And I would like to say that some people apparently do not realize that there is another body in this Congress, and whether we all like or not they will be around here as long as we are. If a substitute like this is sent to the other body, they will have something to say about it and we will have quite a different proposition staring us in the face. I can just imagine what the result will be.

Who is kidding whom? All we are doing now is marching up the aisle and back down again to please just a few people who are interested, I say again, apparently in other things than the overall housing problems and the housing needs of the American people.

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

Mr. Chairman, I would like to announce briefly that in case the substitute is voted down I intend to offer some five or six amendments that will take out of the committee bill all of the back-door financing.

Mr. BARRETT. 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 Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, I rise in support of S. 57, the Housing Act of 1959, because it is one of the most comprehensive pieces of legislation ever presented. I take a deep personal pride in having played a role in the months and months of hard work that were necessary to finish this bill for presentation here today. I think both the Banking and Currency Committee and our Housing Subcommittee can be proud of our long and conscientious labors and for our awareness of the legislation we must have to meet the housing needs of our people.

The administration, as you know, is opposed to this bill and has tried to smear it as "inflationary." But do not be fooled. The inflationary argument, which is entirely false, is merely a smoke screen created to block legislation to provide decent housing at a low cost for the American people.

The opponents of this bill do not want us to do anything to provide housing for our low income groups. They do not want us to provide housing which our elderly citizens can afford. They do not want us to adopt measures which will encourage the rental housing and cooperative housing our cities must have. They do not want us to provide additional

funds for the successful college housing program so our young men and women will have a better opportunity to advance their education. The opponents of this bill do not want a program which will stamp out the slums in our cities. Neither do they want legislation that will help FHA homeowners keep their homes when they are unemployed as a result of the recession.

While this bill does not contain all that I would like to see in it, it is on the whole an excellent bill which will help us achieve economic recovery, make progress in eliminating slums, provide housing for our lowest income families, and generally improve the housing standards of the American people.

There are a number of provisions in the bill which will stimulate home construction activity and prevent a slump in homebuilding. The liberalizations of the FHA homeownership program, the special aids to stimulate rental and cooperative housing, are but two examples of measures in the bill which will speed up economic activity and create more jobs. Anyone who is sincerely interested in helping the plight of the unemployed must vote for the housing bill for these job-creating measures alone.

I am especially pleased that the bill will give us new weapons to help us in the constant fight on the terrible slum problem which afflicts Philadelphia and our other American cities.

The \$500 million annually for 3 years which the bill will make available for Federal slum clearance grants is all too modest in terms of the size of the job to be done, but at least it is a beginning. Slums are not just concentrations of crumbling stone and rotting wood. They are the homes of people who must have better housing. Our Housing Subcommittee investigations have proved time and again that at least half of the families who live in urban renewal areas have incomes which are just not sufficient for them to afford decent private accommodations. No matter what misinformation on what propaganda you may have heard about the low rent public housing program, you must admit that it is the only program in existence which can take care of the housing needs of these low-income people.

The bill before us will breathe new life into the low rent public housing program. By restoring the unused units originally authorized in the Taft-Ellender-Wagner Act of 1949, the bill would permit the construction of about 140,000 units at the rate of 35,000 units a year. Personally, I think this total is only sufficient to scratch the surface of the problem of our ill-housed low-income families, but it is a step forward and it is a far cry from the completely reactionary, negative policy of the present administration.

I am especially pleased that the bill will liberalize the minimum age requirements for occupancy in low-rent public housing for single women and disabled persons. Presently, elderly single persons are eligible for admission only if they are 65 years of age or over. The bill would not change this age requirement for single men, but it would reduce it to 62 for women and to age 50 for disabled

people. This is an excellent amendment and would conform the program to the age requirements of the Social Security Act.

One of the great unmet needs in the cities of our Nation, and particularly in Philadelphia, is the lack of rental housing. The bill seeks to correct this through liberalizing amendments designed to encourage the construction of more rental housing under the regular FHA section 207 rental housing program. Frankly, the rentals in this program are higher than I would like to see them, but at least if we get more construction under this program we will meet the rental housing needs of a substantial segment of our population.

Mr. Chairman, title II of the Housing Act of 1959 is very important and of special interest to me because it would establish an entirely new program of providing housing for our senior citizens. The new program in title II would strike at the root of the problem by permitting long-term 50-year loans to a nonprofit corporation at a very low interest rate. The maximum interest rate would be 3½ percent which is substantially below the 5½ percent which nonprofit sponsors will have to pay under the present program for housing the elderly.

By permitting a longer loan maturity and by reducing the interest cost substantially, we can bring rentals down sharply. For example, in a housing unit renting for \$70 under the present program, the new program would reduce the rental to at least \$55 and possibly down to \$50 a month. With such a program we, for the first time, would really begin to get results and the success of this new program for housing the elderly could serve as a pilot program to point the way toward the middle income housing program which our country urgently needs and ultimately must have.

In closing, Mr. Chairman, I would like to discuss title VIII of the bill which is formally titled "Avoidance of Foreclosure," but which I think should be called the "Save our homes" section of the bill.

When the terrible effects of the economic recession hit the homeowners of the country, thousands were forced to lose everything they had invested because they were unemployed and unable to make their monthly payments. Unlike the GI loan program which has safeguards to prevent a veteran from losing his home because of temporary unemployment, the FHA program does not encourage the lender to extend forbearance and does not provide essential protection against foreclosure.

I am very pleased that the new bill would correct this glaring deficiency in the FHA program. It would do this by two important amendments. One would reduce the incentive on the part of the lender to a hasty foreclosure. The other, and more important amendment, would permit the FHA Commissioner as a last resort to take over the loan and save the borrower's home in cases where the lender is unwilling or unable to cooperate.

Mr. Chairman, this is a great bill and all of its titles have extremely important objectives. It is a bill that will give the American people the advantages to

which they are rightfully entitled. I urge its unanimous passage.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KILBURN. Mr. Chairman, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD on the Herlong amendment.

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

There was no objection.

Mr. TOLL. Mr. Chairman, Charles Dickens wrote a great story in the 1800's called a "Tale of Two Cities." Today, we of the 86th Congress have the privilege to write an even greater story. As a matter of fact, we have a choice of writing two stories. One could be entitled "The Death of Our Cities" and the other "The Survival of Our Cities." I refer of course, to the Housing Act of 1959. With which story would you, as Members of Congress, want to be identified as the author? It is, to me, somewhat ironic that the decision as to whether a city lives or dies nowadays rests with our national representatives, but this is no exaggeration. The facts of life which necessitate national action in the housing field are as well known to you as to me. And there is no longer any doubt that the cancer of blight is truly eating away at the vitals of our urban centers, large and small. The future of the fourth largest city in America, depends upon the passage of the Housing Act of 1959. Philadelphia, the fine old city whose citizens I represent, is among the cities with the most deep-rooted and widely spread decay in our Nation. We have had nearly 300 years in which to grow from William Penn's "greene countrie towne" to the vital and varied metropolis of today—nearly 300 years in which to accumulate a massive problem of rundown houses, mixed uses, congestion, obsolete industrial buildings, blight in all its forms.

The early builders of the city designed the city well and built good, sound homes. And we have learned, in recent years, to do the same in the context of modern needs. But, in the intervening years, the American approach of moving on to a new house rather than repairing the old one, of building a new factory when the old one got too small, of leaving it to private initiative to supply the many different community needs of the people—this traditional American approach of endless frontiers and endless resources has left us an inheritance which is rich in many ways but which, for the city, adds up to built-in blight.

All our larger, older cities are in the same position. But even the small towns and the relatively new developments have their spots of blight, which will spread and destroy if not eliminated.

The plight of our cities is indeed a national, not a special-interest, problem. Most of us live in cities these days. All of us are dependent on cities for the many services and amenities which only a city can supply.

Everybody needs the cities and the services the cities can give. But, Mr. Chairman, the cities cannot provide these services unless they are efficient, functioning units, geared to today's

needs. And this is not possible unless the cities' total problems are dealt with, not just one type of problem, not just an isolated project here and there, not something this year and maybe something next year. We must have a total program, a continuing program, a program flexible enough to let us strike at the right place at the right time.

The cities are the hearts of our metropolitan areas, and heart failure would be just as disastrous for these metropolitan areas as for the human body.

What is at stake here is not only the life of our cities but our lives. If our cities decay with the cancer of blight, then, Mr. Chairman, we and our constituents will also perish. For, where but in the great medical hospitals and research centers and universities of our cities can the cures for cancer, heart disease, mental afflictions, and the various other medical diseases be discovered?

What type of story do we of the 86th Congress want to write? Will it be one with a happy ending where the vast American urban population is achieving a better life in an improved environment or is it to be called "The Death of Our Cities" and end in decay and ruin for us all?

I should like to talk to you of Philadelphia's problems in housing and urban renewal. They are the same problems as the many other cities represented in the House here today face. We have to learn how to plan and build to meet modern needs. Philadelphia has been one of the cities to lead the way in this learning process. I think we know a good many answers to the problems of eliminating blight today. But the extent to which we in Philadelphia, and others throughout the Nation, can apply the lessons we have learned depends on the extent of Federal help which this Congress extends. The Housing Act of 1959 would supply the wherewithal to move forward in the fight to provide adequate living conditions for our urban dwellers, the bulk of the Nation's population.

Let me tell you a story of how five outstanding Philadelphia Institutions have joined together to combat the blight engulfing them. The University of Pennsylvania, Drexel Institute of Technology and three neighboring institutions are chartering a nonprofit corporation to reclaim blighted residential areas in West Philadelphia. Along with buying, improving, and selling residential real estate, the new corporation, to be called the West Philadelphia Corp., will pool the brains and resources of member institutions to obtain better police protection and enforcement of zoning; rework outmoded traffic and circulation patterns; and help neighboring residential areas to keep pace with the development of one of the Nation's great educational, medical, research and cultural concentrations.

There are three square miles involved in this project. Along with the University of Pennsylvania and Drexel, the institutions chartering the new corporation are the Philadelphia College of Pharmacy and Science, Presbyterian Hospital and the Philadelphia College of Osteopathy. The area within which the corporation contemplates working

is bounded by Haverford Avenue on the north, 52d Street on the west, the Schuylkill River on the east and the Media tracks of the Pennsylvania Railroad on the south. This is some three square miles.

The new corporation has been under discussion for 6 months. Planning to date has been done by Sherwood R. Mercer, dean of the Philadelphia College of Osteopathy; John C. Atwood, Jr., executive vice president of Presbyterian Hospital; John E. Kramer, registrar and assistant to the president of the Philadelphia College of Pharmacy and Science; Allen T. Bonnell, vice president of Drexel Institute, and John L. Moore, business vice president of the University of Pennsylvania. The incorporators don't propose limiting membership to just themselves. West Philadelphia is characterized by identifiable residential neighborhoods with constructive evidence of organized citizens' pride and dedication to the community. It is with the neighborhood organizations which have fostered this pride and dedication that the new corporation hopes to work. The institutions emphasized that they don't want to absorb or destroy the identity of these neighborhood groups. The corporation is being created within this framework of demonstrable contribution to the city—of commitment to continued city location and of devotion to Philadelphia's future well-being.

The corporation will operate after a pattern set in Chicago and New York City. Testing has been done successfully in the neighborhood of the University of Chicago—the South East Chicago Commission—and the neighborhood of Columbia University in New York City. What the institutions here envision is a community which holds and attracts institutional and cultural facilities, compatible industrial and commercial uses, standard and marketable residential areas served by adequate schools, parks, churches and shopping, thus providing a supply and range of housing which will appeal to large numbers of the population not now attracted to the area. The boundaries of the area with which the corporation will deal are not rigid.

Although the new corporation's primary interest is in the area in which the five participating institutions are located, the corporation will extend its interest to other nearby areas when it is necessary or appropriate to accomplish its objectives. The institutions hope to obtain a charter in time to begin staffing the new corporation by next fall. Still undecided are questions of initial capitalization and where the corporation will start. Certainly they will have to do a lot of preliminary planning, conduct surveys on housing, incidence of crime, and school, recreation and traffic requirements before they can go to work.

What do you as Members of the 86th Congress have at stake if West Philadelphia becomes a blighted area? Will it affect the Representative from Georgia, California or Alaska?

The answer is that it most certainly will. Philadelphia's West Philadelphia section contains one of the Nation's great educational, medical research, and cul-

tural concentrations. The following institutions are located in this area:

First. The University of Pennsylvania—from which Dr. Isadore Ravdin came to perform the operation on President Eisenhower.

Second. Drexel Institute of Technology—one of the great engineering schools of the country.

Third. Philadelphia College of Pharmacy and Science.

Fourth. Presbyterian Hospital.

Fifth. Philadelphia College of Osteopathy.

Our university city program, designed to renew a great institutional area, where some of our finest universities and hospitals are clustered, hemmed in by blight at present, will take at least \$10 million of Federal funds.

Federal funds are needed to work alongside the builders of the massive new Delaware Expressway which is to cut straight through Philadelphia, so as to offset the blighting effect it may well have in certain pockets which the expressway will cut up or cut off from the rest of the city. Now, suppose the Federal renewal aid authorized is cut in half, as the administration proposes. Then, the shoring up of the slivers created by the Delaware Expressway will just go undone, again with the probability that the inability to time the work with expressway construction will mean a bigger job to be done when the time comes. Under the Housing Act, we can take the necessary steps so that several sections which will be badly cut up by the expressway as it cuts its way through the city, will not be left to fester and decay hopelessly.

The following has so far been completed in the field of expressway development. The removal of the old "el" structure opened the west side of the Schuylkill River for extensive new private development and cleared the way for the \$47 million Schuylkill Expressway which was opened last fall from the Pennsylvania Turnpike south to 30th and Market Streets. The Schuylkill Expressway is the first limited access highway to enter Philadelphia. It is part of a \$456.7 million network of expressways being planned jointly by the city, the Pennsylvania Department of Highways and the Federal Bureau of Public Roads.

Two of these, the \$27.5 million Roosevelt Boulevard extension of the Schuylkill Expressway and the \$7.2 million Vine Street extension of the expressway are now under construction.

Both the Schuylkill Expressway and the proposed \$200 million eight-lane Delaware Expressway will terminate in South Philadelphia at the approaches to the new Walt Whitman Bridge over the Delaware River, completed 2 years ago by the Delaware River Port Authority. Four main links in the expressway system form the boundaries of the main center city area to be redeveloped. The Schuylkill Expressway forms the western boundary and the Delaware Expressway will be the eastern border. The Vine Street extension, which connects with the Benjamin Franklin Bridge and downtown Camden, N.J., is the north barrier and a

proposed \$40 million crosstown express-way some 14 blocks to the south will complete the oblong area.

One of these critical problems is housing for the American people. Our national goal was stated some 10 years ago in the Housing Act of 1949: "A decent home in a suitable living environment for every American family." We have made some progress toward that goal in the last 10 years, but not much. Estimates vary, but it is a fair statement that 10 million American families are presently living in homes which are either unsafe, unsanitary, or both. These are our slums—a national disgrace. Many of these slums are in rural areas, but a large majority of them are in the cities of America. (Senator JOSEPH S. CLARK, February 5, 1959, CONGRESSIONAL RECORD.)

We must have adequate housing into which to relocate people who are displaced through the urban renewal program—or we will simply end up going in circles instead of going forward.

Let me hasten to point out that, even if the Federal renewal aid called for in the Housing Act were voted down, we would still have a displacement problem. First of all, the clearance projects for which Federal funds have already been allocated are just beginning to reach the stage where much displacement will occur all at once. Secondly, we have in Philadelphia a rapidly expanding program of code enforcement, which brings about displacement. As occupancy and facilities requirements of the housing code are enforced, families are forced to move—in numbers averaging about 700 a year. And this program too is just about now moving into high gear. Finally, our program of capital improvements—including the highway program—inevitably displaces people. For example, the Delaware Expressway alone is expected to require relocation of some 5,600 families.

Where are these people going to go? We must recognize that the vast majority of them are in the low-income category. At today's prices they have little choice but to go back into substandard housing if they cannot be placed in low-rent public housing. But the waiting list for our public housing projects continues to be in the neighborhood of 10,000.

Are we, then, going to say that it is all right for the family displaced from one substandard house to go back into another slum we have not yet had a chance to clear? Or to go into a declining older neighborhood and hasten its decline by overcrowding the housing there?

I think that we cannot avoid the fact that urban renewal and public housing are mutually dependent on each other. If we refuse to approve progress in either, we doom the tremendous effort which is going on to save our cities.

At this time Mr. Chairman, I would like to repeat a statement by Joseph T. Kelley, president of the Philadelphia Industrial Union Council, AFL-CIO, during hearings before the Subcommittee on Housing:

Since Philadelphia is an old city its needs are tremendous. In urban renewal and slum clearance alone the city government could and should use some \$150 million of Federal grants in the next 6 years. Philadelphia city government schedules its capital improve-

ment program on a 6-year basis and is prepared to provide the local participation in order to qualify for such Federal funds. If these funds are made available to Philadelphia not only will slums be cleared, but older and still desirable neighborhoods will be saved. There are many benefits to our lower income families and to the community as a whole from these programs. One of the major gains is opportunity for increased employment, particularly through private enterprise. If our economy is to be kept healthy construction must be at a high peak, particularly housing. Shelter construction stimulates business opportunities in other industries. The labor movement in Philadelphia is most concerned with the welfare of our less privileged citizens. Until we can wipe out our slums it will always be difficult to get at problems of disease, crime, and family relations. The private housing industry in the country has not been able to meet the needs of many families who would ordinarily not have a problem if they could remain where they are. Until such time as housing prices come down, the Government must take the responsibility of providing sufficient payments to enable decent relocation. It seems to us that operating procedure in between the slum clearance and public housing programs is necessary. Philadelphia labor movement has prepared a community effort to improve Philadelphia through better shelter. We believe it is essential that Federal programs be continued and improved at a far higher level than previously enacted.

Before leaving the subject of public housing, I should note—speaking strictly for Philadelphia—that we support the provision in this bill for extending the arrangements made for housing defense personnel in Passyunk Homes. We had thought the original 3-year period for this arrangement would be adequate, but this has not proved to be the case.

Also, I must speak briefly of three groups in the population whose special needs for better housing are widely recognized but to date only poorly provided for. One such group is the elderly, and I applaud this bill's provision for a new program of direct lending to make adequate housing available for this growing and richly deserving segment of our population. A new program of this type augmented by the housing to be made available to them under the public housing program, should go far to meet their needs.

Less favorable is the picture for the middle-income family—particularly the family in that income limbo between the top limit of eligibility for public housing and the income necessary to purchase adequate housing at today's prices. This family may get some help from the cooperative housing program—particularly as it would be revised by this bill. Or the family may get help through the revised section 203 or 207 FHA mortgage insurance programs. Or our family may fall in that substantial group whose needs neither program can meet. For this group, a special program is needed—preferably one providing for direct Federal loans at low interest rates and on long terms.

Least favorable of all is the picture for the minority group. Individual members of this group too may benefit from one or another of the other programs provided. But it is foolish to think that their problems as a whole will truly be solved until it is a standard re-

quirement of all Government-underwritten housing that no discrimination be practiced in selling or renting the dwelling covered.

The liberalization of section 221 FHA mortgage insurance provided in title I of the Housing Act of 1959 should also be of help in the efforts to solve the relocation problem. This applies to both the increase in the maximum mortgage amount permitted to be insured and in the extension of the program to rental properties held by owners who are in the housing business for normal profit-making purposes. We have had difficulty in using the section 221 program effectively to date. These changes might well make it possible to provide adequate rehousing for people who are not eligible for public housing and, hopefully, for some who are eligible but might still be able to go into private housing if the monthly costs were brought down far enough. The liberalization of the limitations on section 220 FHA mortgage insurance—which helps provide good housing in renewal areas—and the inauguration of a new program to help house the elderly. Both serve the dual purpose of facilitating the supplying of housing in what might be termed problem categories and thereby facilitate the entire renewal effort.

As a minimum, we should spell out more specifically that the section 220 program requires the FHA to view the house as it will be when the renewal program is complete for purposes not only of insuring the mortgage in the first place but also for purposes of arriving at higher valuations on properties and longer economic life of the property judgments. Even better would be a change to permit calculation of mortgage amounts on the basis of replacement costs, as is provided for new housing, instead of on appraised value, as is presently done for old housing. And perhaps a requirement that the mortgage term be for the full economic life of the property rather than the three-quarters of that period presently provided by FHA regulations. Better still, of course, would be the establishment of a completely new program of direct Federal loans for rehabilitation, on specially advantageous terms. That would really put a shot in the arm of the renewal effort to which we should all be dedicated.

Before I mentioned the section 221 program, which provides FHA mortgage insurance for relocation housing. I should like to go on record as strongly supporting H.R. 2357's adjustments in this program. The increases in mortgage amounts, the inclusion of rental housing owned by profitmaking concerns, the provision to permit insurance on properties near as well as in a community—all these are excellent improvements.

Mr. GREEN of Pennsylvania. Mr. Chairman, we all must realize that we have to get industry into the cities. We are now making a tremendous strive for that and are beginning to succeed. It cannot possibly be done without the aid of a Federal urban redevelopment program. The start which we have made in revitalizing our center city will grind to a halt. We now have an

allocation of Federal funds to do most of the first project in this area and are well on the way to starting the "pick-and-shovel" work itself. But this project is only the starting point. If that is all the work we can do in center city, we must say to our businessmen and downtown residents that they might as well give up any hope of saving the economic and cultural center of the entire metropolitan area. The obsolete buildings, congestion, inability to expand and modernize offices and parking facilities will continue. The possibility of fine new homes and restored colonial homes, to which many people had been hoping they could move, will be gone.

The plans for a new industrial reservation close to center city business facilities will come to nothing. And we will have to say to the businesses which had hoped to relocate in this spot, "go-ahead—leave the city—we cannot help you find the space to put in modern facilities, to expand your plant, to increase your employment." I need hardly point out how vital an issue this loss would be in the current situation of unemployment for the people and inadequate tax resources for the city.

Let us see some of the progress that has already been made in center city redevelopment under the city administrations of Mayor Richardson Dilworth and our now senior Senator of Pennsylvania, JOSEPH S. CLARK, JR.

In 1952, the Pennsylvania Railroad dispatched the last train from its 71-year-old Broad Street station opposite Philadelphia's City Hall and turned the building over to a wrecking crew. The railroad, which spent \$22 million to tear down the station and the "Chinese Wall" that supported the tracks leading to it, has now completed about half of its \$100 million Penn Center Development.

While the railroad was tearing down the station and the wall, the city was fulfilling its part of an agreement dating back to 1925, by building a tunnel under the Schuylkill River and 12 blocks of new subway for the Old Market Street elevated line that was a blight on the railroad's 30th Street Station on the west bank of the river, now its main passenger terminal.

Penn Center, which now contains three new 20-story office buildings and a 1,000-room Sheraton Hotel, the first in Philadelphia in some 20 years, provided much of impetus for ever-increasing co-operation between Philadelphia businessmen, most of whom are Republicans, and the second Democratic reform administration.

Penn Center, with its new buildings, restaurants, and even a new ice rink, opened last New Year's Eve, to match New York's Rockefeller Center.

In August of 1957, the old Philadelphia Development Corp. was formed by a group of center city businessmen to aid in the Washington Square, east project, the first local step in the rebuilding of the overall center city area.

Another group of businessmen formed the Food Distribution Center Corp. to build a \$100 million wholesale food center on 376 acres of lowland between the

Delaware River and Broad Street in South Philadelphia.

In November 1957, the first wholesalers in the ancient Dock Street market area, slated for demolition as part of the Washington Square, east project, signed leases for space in the new center. With the New Food Center, Penn Center, Washington Square East, and University redevelopment projects at both Temple and the University of Pennsylvania, Philadelphia's urban renewal plan was beginning to turn to the problem of broadening the city's real estate tax base while the city was being improved physically. The administrations of both former mayor, now Senator, JOSEPH S. CLARK, and Mayor Richardson Dilworth has cost Philadelphians increases in wage and property taxes and higher water and sewer rents. But all of these have been applied with remarkably little protest from the citizens of Philadelphia. This is evidence that Philadelphians see where their tax dollar is going and have no objections.

And this line of thought led to a third corporation, the Philadelphia Industrial Development Corp., financed jointly by the normally and always nationally Republican Chamber of Commerce of Greater Philadelphia and the reform Democratic city administration.

In Philadelphia today, it is considered normal for prominent Citizens for Eisenhower to serve as officers or members of any or all of these corporations or other committees designed to further the renaissance of Philadelphia. And this service continues while Mayor Dilworth appears before committee after committee in Washington and scores the Eisenhower administration for slowing down aid to big cities. All of our citizens from the big cities understand and desire this program of urban redevelopment. Shall we, in the 86th Congress, turn our back to their pleas and needs?

In April of 1951, the Philadelphia Redevelopment Authority opened Penn Towne, the first federally aided slum-clearance project in the United States. For some 4 years after Penn Towne, the city administration and the redevelopment authorities were unable to convince private builders that the construction of low or middle priced sales or rental housing on cleared slum land was a profitable venture. So the Philadelphia Housing Authority, which now has more than 10,000 low-rent units, became Philadelphia's principal slum clearance redeveloper and it was a case of the Federal Government subsidizing both the clearance and the construction.

After Penn Towne, the redevelopment authority moved across the street, cleared 5 more acres and the housing authority built its 203-unit Spring Garden Homes project. This was another first for Philadelphia, the first time Federal funds had ever been used under title I of the 1949 Housing Act to acquire and clear land for the construction of Federal low-rent housing.

The redevelopment authority repeated this process three times, twice more in north Philadelphia and once in west Philadelphia, while it preached

the gospel of urban renewal to private builders.

Meanwhile, the authority continued to develop plans for Eastwick, the largest redevelopment project in the country, which started last December with the condemnation of 2,300 homes and Washington Square East, the renewal of part of William Penn's original "greene countrie towne," where condemnation is scheduled to start in June.

By late 1956, the authority was working with both the University of Pennsylvania and Temple University on plans for the expansion of both institutions.

A builder was found for a 230-unit low-rent apartment development at 10th and Jefferson Streets in the southwest Temple area. Shortly thereafter, one of two competing builders was selected for the construction of 300 single family homes for sale at about \$10,000 in the same area. The authority has plans for 1,500 such homes in this area of north Philadelphia east of Broad Street.

In August of 1957, the authority started to clear 9 acres of land for a non-federally assisted luxury apartment project, along the Vine Street extension of the Schuylkill Expressway. The redeveloper, Parkway Triangle Corp., a syndicate of Philadelphia builders, became the first Philadelphia firm to qualify under FHA 220 financing.

The \$125 million Eastwick project is designed as a city within a city and plans call for from 10,000 to 12,000 new homes plus an 80-acre industrial park.

The development will take an estimated 8 years to complete. The city estimates that on completion, the 2,500 acres will have a tax base of \$186,250,000.

The existing area is subgrade land, 40 percent of which is now occupied by a wide variety of land uses ranging from junkyards and frame shacks to solid masonry middle-class homes.

The area is not served by sewers and the land and building are now valued for tax purposes at \$10,784,315. At the time of condemnation, the city held tax liens for more than \$1 million against the properties.

Bids will be asked this year for redevelopers in Eastwick. Before turning the area over to builders, the redevelopment authority will spend more than \$30 million to acquire and clear the land and another \$10 million to fill it to grade level. The city will spend \$20 million for streets and sidewalks and an equal amount for sewers.

Mr. BYRNE of Pennsylvania. Mr. Chairman, Philadelphia is identified in every history book with the Liberty Bell, the First Congress, the Declaration of Independence and the birth of our great Nation. Yet, we have allowed the area of our birth to perish into decay, ruin and filth. Now, we are on our way to make the "Cradle of Liberty and Independence" live again. The renewal of Washington Square will serve to preserve historic sections of the city which have great meaning to all Americans, and whose national significance has been ignored far, far too long already. Would Russia allow the "Red Square" and "Lenin's Tomb" areas to become solid seas of blight. Must we tell the people

of the Nation, "Come to see the birthplace of your national heritage but try to ignore the slums which crowd in upon it, which virtually overshadow it?" Do not look at the historic old residences nearby which have been let go over the years and which we had hoped to restore. They are decaying now and, by the time we may someday get money to save them, it may well be too late. Welb and Knapp, Inc., of New York and the Thomas Jefferson Square Corporation, a national syndicate, have already been selected from among four bidders as redevelopers for the \$50 million Washington Square project. Demolition will be selective in this project and, in addition to building a total of six tower apartment buildings, and a number of new town houses, they are charged with rehabilitating existing structures that reflect by their architecture the early history of Philadelphia's growth.

As most of you men and women who have attended law school know, most problems are in the gray area. There is not a simple black and white answer to any problem. The same is true with blighted areas. There are older neighborhoods which circle our badly blighted central section and which are showing the beginning signs of blight. These are some of the gray areas which have been so much discussed of late in the press—the areas which must be saved if our major cities are not to become all blight and ruin. Their people are crying out to be saved. They are willing and able to make the necessary sacrifices. They only ask us for the help with this job. For the program of conservation aimed at saving our fine old neighborhoods from the blight that is starting there will require \$60 million of Federal money over the next 6 years.

The signers of the Declaration of Independence would probably be amazed to learn that this great Nation was allowing the site of the cradle of American Liberty to sink into ruin. It was only a few short years back that visitors to Philadelphia would avoid a visit to Independence Hall due to the blight, filth, and ruined environment that it was situated in. Now, there are two separate projects to clear away the blighted buildings surrounding Independence Hall. Before these projects, the Independence Hall section was surrounded and virtually overshadowed by slums. Some historic old residences nearby, which are decaying, such as the home of the great American author Edgar Allan Poe could be restored now. But, if money is not forthcoming now by means of the Housing Act then it may well be too late. The Independence Mall-Franklin project alone calls for some \$17 million of Federal money.

The U.S. National Park Service has taken responsibility for Independence Hall and the Federal Government, through the Park Service, is committed to spending some \$14 million to clear a landscaped mall area to the east.

The State of Pennsylvania is committed to a like amount for the clearance of a block-wide mall to the north as far as Franklin Square, the plaza at the approach to the Benjamin Franklin

Bridge. Both projects are partially completed, but should the flow of Federal funds necessary be stopped or curtailed then the work remaining will stay undone.

After 8 years of labor, toil, and money, Philadelphia's urban renewal program is where it can be seen by almost every citizen regardless of race or income level. At this point, bankers, railroad presidents, university officials, and merchants are as concerned as labor unions and neighborhood civic associations about the job of creating a new city. Would we want the people of our cities to remember the 86th Congress as the one that wrote the unhappy ending, "The Death of Our Cities."

Mrs. GRANAHAN. Mr. Chairman, the University of Pennsylvania is a private nonsectarian institution, devoted to the public service.

The university had its beginning in 1740, as a small local Philadelphia institution founded by Benjamin Franklin. In the intervening years it has grown to become an institution serving the State of Pennsylvania, the United States, and the world.

The many schools of the university offer courses of instruction, including physics, engineering, medicine, and dentistry to a student body in excess of 17,000. Two large teaching hospitals—the University Hospital and the Graduate Hospital—are operated by the university. Research contracts with Government and industry are in excess of \$7 million. The university budget for the fiscal year 1958-59 is in excess of \$43 million. Sixty-five hundred individuals are employed in all areas of the institution.

The university is located in an area composed of residential and commercial buildings. If the university is to expand it will be necessary to obtain some of the surrounding residential and commercial land areas on which to erect academic structures. The university expects to do its part to assist in providing an educational opportunity for the rising tide of students which will be upon us in the years ahead.

Since 1945, the university has erected academic structures in the amount of \$24 million; \$14 million of construction is now underway. To provide land area for these structures, the university has used all or most of its available land. The present campus comprises about 140 acres.

During the period 1960-70, it is anticipated that the university will need to increase its plant dollarwise in the amount of \$70 million. The deficiency in land required for plant expansion is estimated at 63 acres.

Like many other urban institutions, the University of Pennsylvania is landlocked. It cannot expand unless it is given some instrument to assist it in its endeavors—statement of John L. Moore, University of Pennsylvania, business vice president, from hearings on Housing Act of 1959, Senate Banking and Currency Committee, January 1959.

In an enormous variety of ways, U.S. universities are already striving to meet their new civic-cultural responsibilities.

They will need the most talented assistance in architecture, planning, and financial imagination to accomplish their purposes; if they succeed and if they can derive new strength from their more intimate contact with the community, they may provide the cultural focus for history's first great mass civilization.

What if we of the 86th Congress fail to meet our responsibilities to the universities? If we let them become immersed in the sea of blight, what can we expect? We can expect the end of our great research centers. No longer will eager students want to congregate in the city colleges and universities which are located in filth and ruin. They will enroll in new spacious modern schools far from our cities. This means that our present-day great educational and scientific institutions will become stagnant and progress toward the great educational and medical discoveries will be hindered. For example, if the West Philadelphia area already described becomes slum area, the cure for cancer or heart disease now being worked on in the great medical center of Philadelphia may be set back years and years. We must not allow the university section of the city to become unlivable for the teachers and students who come to these institutions not just from Philadelphia, nor even just from Pennsylvania, but from all over the Nation and indeed from all over the world. It is not so long ago that the shocking news was reported that a Korean student—In Oh Ho—at the University of Pennsylvania had been beaten to death by a group of teenage thugs. This took place in the very section our universities hope to renew. It was symptomatic of the deteriorated conditions there which are a disgrace to the American way of life. We will never know how many foreign and American students were deterred from coming to study and live at the University of Pennsylvania due to that shocking murder, and of the loss of possible advancements in research toward a longer and better life as a result thereof. Let us remember the horrible death of the Korean student and approve legislation that will bring life to our cities, colleges, and universities.

Now, what are the problems in Philadelphia alone, that we regard as absolutely essential, that our chamber of commerce regards as absolute minimum needs, that our groups, like our banking groups, our investment banking group, our greater Philadelphia movement all regard as absolute minimum? For the next 10 years we must have \$250 million of Federal money. The fact is that unless we can get that kind of aid from the Federal Government, we are going to be absolutely swamped and just will not be able to meet this situation in any way, shape, or form.

The Eastwick project, which has just been described to you, is the biggest redevelopment project that any city has yet attempted. As a result of this redevelopment, we have the tremendous problem of relocation. We find that in a project that big, where we are going to move more than 20,000 people, that



amazing problems and extraordinary cases of individual hardship come up. Much needed are the changes proposed in the title IV provisions for relocation payments—again both in the increase in the amount of payments—from \$100 to \$200 in the case of family moving expenses and from \$2,500 to \$3,000 for businesses—and in the authorization of payments to people displaced in renewal areas by other activities than the redevelopment agency's acquisition. This is a matter of simple justice and brings this facet of the renewal program in line with the broadened concept of renewal recognized by the Housing Act of 1954. Similarly, we would welcome title IV's provisions for an increase to 20 percent in the proportion of Federal aid which can go for nonresidential redevelopment, and for the removal of university renewal areas from the area eligibility requirements. These are steps in the right direction—facilitating our efforts to approach renewal on a total city basis.

But there are other problems of hardship brought about by renewal on which I should like to comment specifically. Philadelphia is one of the few cities which has by now accumulated considerable experience with the actual carrying out, as distinct from the planning, of projects, and I think our experience has pointed up these problems.

First of all I should like to comment on the compensation which we are permitted to give to the people whose properties we take in order to renew an area. Some of these people are not adequately compensated under the existing Federal laws. It is true that they receive a fair market value for their properties. But this is not always adequate to enable a homeowner to obtain a comparable dwelling elsewhere. This is especially true to the owner of a house which is sound but surrounded by blight, or a house which is comfortable but obsolescent. Though these represent only a minority of the families displaced by clearance operations, they are special hardship cases and we should be able to give them special treatment—possibly through a revolving fund for direct loans at nominal rates, or some other special device. If Federal housing aids had not for so long a time encouraged the construction of high-priced housing this might not be such a serious problem at the present time.

Another hardship often falls on the small businessman. When he moves, and frequently even before that, he loses a clientele built up over many years. If he is renting the property, he may also lose money on his investment in equipment and facilities and on his lease. Therefore, we need also to give special consideration to this type of situation. Small businessmen should, in my opinion, be reimbursed for some of these intangible losses in addition to physical assets. And there should be a mortgage insurance program designed specifically to help them get reasonable financing for a new place of business.

It is impossible to think of relocation without also thinking, at once, of the importance of the public housing program. I have talked about the special

hardship cases which we encounter in the relocation process. But if one considers instead the great mass of the people displaced by renewal, the conclusion is inescapable that the common denominator for Mr. and Mrs. Average Dislocatee is hardship, of a different type—the normal, everyday life of hardship of the poor. These are the slum dwellers, displaced by the law's requirement that each house must meet minimum standards of occupancy as well as facilities. All too often, these are the people who can afford none of the decent housing on the private market today.

Our renewal programs are rolling, all over the country. We are learning how to enforce our housing codes effectively. We are installing the modern community facilities which our cities need. All of this is necessary, important. And all of this means a sharply increasing relocation workload in the near future.

If we are to cope with this increase, we must expand our public housing program.

Mr. NIX. Mr. Chairman, Philadelphia provides a good example of what will happen if we fail to pass the Housing Act of 1959 as recommended by the Committee on Banking and Currency.

Probably the most graphic and clearly immediate result is the effect on renewal activities of a failure to pass this bill in its present form. Under its provisions, we in Philadelphia confidently expect that, in the next 3 years, we can:

First. Complete the work we have well underway in redeveloping our southwest Temple slum area in north central Philadelphia. This is one of the worst slum areas that we have in the city. All told, we have 60,000 slum units in the city of Philadelphia in which 200,000 people live, and when I say slum units, they are units in which you should not ask a dog or pig to live, and in which 200,000 people have to live today—statement of Richardson Dilworth, mayor, city of Philadelphia.

Without more Federal funds the clearance and redevelopment of an entire section of squalid slums in the north central section of Philadelphia will stand incomplete. This is the section where the first redevelopment work in the country started, and we are well on the way with these projects.

We have adequate Federal allocations to complete the work in East Poplar and much of the work in Southwest Temple. But, without new Federal authorizations, the completion of the Southwest Temple projects will just have to be postponed and the fine new buildings there will have to withstand the myriad bad influences of slum jungles in their midst. A symbol of the choice that you as authors decided to write. A story that could have had a happy ending to it if the last chapter was written by the passing of the Housing Act of 1959. It is absolutely necessary that the Housing Act be passed to protect the heavy investment in money, time, and effort which has already gone into this work.

Our program of conserving the older residential neighborhoods where blight

is just beginning would just not get off the ground at all. We have Federal allocations to handle one small area—money which will go to remove the scattered spots of hopeless blight in support of citizen activities to encourage rehabilitation and constant upkeep of the dwellings there. Under the Housing Act we could help citizens of five other such areas to save their neighborhoods from sliding on down into slums—and thereby save the taxpayers the eventual cost of completely clearing these areas later on.

A private institution that has been admirably aggressive in its campaign to bring culture to a cramped, industrial city is Philadelphia's Temple University. Eight years ago Temple shocked the city by buying the 80-acre suburban site and preparing to move to it. But last year Temple committed itself to staying in the city by embarking on a 10-year, \$55 million campus enlargement and improvement plan first outlined by the Philadelphia Planning Commission, later designed by architects Nolan and Swinburne.

Moreover, although Temple remains today a bumptiously independent private institution, it has been able to get financial assistance from Federal, State, and local government sources. First, Temple demonstrated its faith in its own program by putting up a 50-classroom building, financed entirely—\$1.3 million—by university funds. Next it appealed to the HHFA for a Federal loan to build a \$1.5 million women's dormitory—completed last year. Now it is concentrating on the planning of a \$4 million science building which is to be completed by 1961. One-third of the money for this building's land will come from Pennsylvania's general State authority—a public body established originally to help finance hospitals and other State building projects but recently given the go-ahead to assist higher education's capital spending programs.

The remaining two-thirds of the land costs will come from Federal urban renewal funds channeled through the redevelopment authority of the City of Philadelphia. All the money for the building itself will come as a grant from the GSA.

Thus Temple has already proved that the battle to establish a visible cultural focus in the city is worth waging, worth recruiting allies for—and can be won.

Philadelphia citizens are ready to take on these renewal jobs. But they can take on only part of the job.

Title IV, section 401, permits the utilization of local public agencies which are established by States to operate on a statewide basis in behalf of smaller communities undertaking urban renewal programs. This will allow the Philadelphia urban renewal story to be practiced by smaller municipalities who do not have the source of tax revenue which our large cities have.

The capital grants provision of section 404 which increases the present \$1,250 million capital grant authorization by \$500 million on date of enactment of the bill is an absolute necessity to continue on with urban renewal projects.

Fellow Members of the House, we have told you half of Philadelphia's story. Now it is up to you to finish it. What title do you want to give it? "The Death of Our Cities" or the "Survival of Our Cities"? Do not forget the future of the fourth largest city in America depends upon the passage of the Housing Act of 1959. Will you, of the 86th Congress, write a happy ending to this Philadelphia story?

Mr. DERWINSKI. Mr. Chairman, it appears obvious to me that due to the emphasis which is placed on the housing bill each year and the time spent in waiting for and vigorously debating the merits of this year's housing bill, most of you have firm convictions and have reached conclusions as to which of the conflicting bills or amendments you will support.

For the sake of the record, I will briefly review the important provisions of the original housing proposals and will emphasize what I feel should be considered.

The FHA title I program should be permanent or at least long-range. The proposals which extend this program for 1 year merely means that we must review it when there is almost unanimous support of the program and the results it has achieved.

Increasing building costs and increasing standards of living across the country indicate a need for increases in maximum mortgage amounts under section 203. From the general consensus of builders, financial institutions, and real estate men throughout the Nation, I think we could set a limitation of \$30,000 on one-, two-, and three-family dwellings. I do not believe that we, at this time, ought to extend the maturity period under section 203.

The provisions for increasing new low-cost housing for rural and outlying areas to a maximum insurable mortgage of \$9,000 is a sound one.

The general insurance authorizations for FHA for \$6 billion for fiscal 1959 and an additional \$4 billion for fiscal 1960 is a preferable and practical provision.

One of the greater controversies of this bill is the dollar amounts for capital grants under the urban renewal program. I firmly believe that the proposals under the Herlong bill are sound and under them we will get more urban renewal for less tax dollars.

Probably no greater issue seems to arouse the emotions of Members of Congress as the public housing provisions of this bill. I believe in all sincerity that no amendments whatsoever are needed in the public housing administration section of the bill. Various proposals would give more power to local public housing authorities and there are also the proposals for more public housing units in excess of the 108,000 now in the PHA pipeline. In principle, they would add up to an abandonment of the announced objectives of public housing to house only the lowest income families. We see this entire program developing vastly increased costs in subsidies at the same time that provisions in the original Rains and Sparkman proposals repeal Federal supervision of increasing expenditures.

In the area of college housing, we again see a program which is moving away from its original objective. We also see quite closely another direct withdrawal from the Treasury bypassing the proper appropriations process.

It has not been my intention, Mr. Chairman, to do any more than to point out in the simplest manner possible some of the pertinent sections of the bill.

I cannot conceive the necessity, in a year which indicates will see the greatest number of housing starts in the history of the Nation, a governmental program to thwart the spirit of free enterprise and to inflict huge numbers of socialistic public housing units in direct competition with the homebuilding industry.

In all due respect to the distinguished gentleman from Alabama [Mr. RAINS] this year's housing bill and the bills that he will present to us in the future will obviously fall short of creating a housing utopia. The facts of life are that the only sound, sensible answer to raising the housing standards of the American public to even greater levels lies in the techniques of modern homebuilding and the general rising of productivity in the standard of living of the American wage earner. I would suggest to the gentleman that the best long-range approach to this and other problems is to curtail inflationary proposals so that we might stabilize the value of the purchasing dollar which the average American family has to invest in new and improved homes.

Economic stability in the country will give us the favorable atmosphere needed for a tremendous new boom in housing construction and will give the incentive and confidence to the public to embark on the purchasing and investment in the ever-increasing number of homes that private industry rather than socialistic government should build.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the Herlong amendment.

Mr. Chairman, the Herlong amendment, as the gentleman from Alabama [Mr. RAINS] has explained, has a joker in it which you will find in several instances on page 41, subsections (1), (2), and (3), all of these subsections containing the words "as may be specified from time to time in appropriation acts."

The gentleman from Texas [Mr. THOMAS] has just announced to the House that he will offer an amendment to take out all back-door types of appropriations.

Now, let us see what this is going to do. Over the years the Congress has set up a number of programs and a majority of the Congress has said that these programs are worthwhile. They have provided certain guaranteed loans by the Federal Government, certain debenture arrangements, certain contract arrangements, prior to the receipt of appropriation money. This is a drive and is the same drive that was attempted on the airport bill when they tried to insert the provisions of House Resolution 161, a bill of the gentleman from Virginia [Mr. SMITH]. This to concentrate in the Appropriations Committee all of the power of spending in the House. Let us

make no mistake about that, that is what it is for.

Here are the programs it can affect, not only by today's amendment, but this amendment may be offered from time to time on every piece of legislation that comes up for consideration. This is the second time it has been offered. It is going to be offered again on others that may be selected. It may not be on all of them.

There are some of these programs a lot of us will go along on that are not particularly interesting to our district, but we will go along with them just like we did a few minutes ago in voting against the so-called Taber amendment.

Here are some of the programs now authorized by the Congress and financial obligations or loan guarantees authorized by the Congress as a whole and not the Appropriations Committee. Let me read them to you:

- The Commodity Credit Corporation.
- The Export-Import Bank.
- Federal Farm Mortgage Corporation.
- The Home Owners' Loan Corporation.
- The Housing and Home Finance Administration.
- The International Cooperation Administration.
- Public Housing Administration.
- Rural Electrification Administration, the REA.
- The St. Lawrence Seaway Development Corporation.
- The Secretary of the Army.
- The Secretary of the Treasury, in certain functions which the Congress has directed him to perform.
- The Small Business Administration.
- The Tennessee Valley Authority.
- The U.S. Information Agency.
- The Veterans' Administration.
- The Defense Materials Procurement Agency.

- The General Services Administration.

- The Secretary of Agriculture, in certain functions the Congress has directed him to perform.

- The Secretary of the Interior.

These are some of the programs that the Congress has set up, the Congress as a whole, not the Appropriations Committee. Concealed in the Herlong bill is the opening wedge to take away from a majority of the Congress their wishes, their desires, and their directions on these important programs. Some of them you may be for and some of them you may be against.

Just remember, when you open the door and you put in your Appropriations Committee all of the power of expenditure in the House, you are opening the door to the same type of amendment for all the programs I have recited.

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

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

Mr. WIDNALL. Is the gentleman in favor of the housing for elderly persons section of the Rains bill?

Mr. HOLIFIELD. What is that?

Mr. WIDNALL. The housing for elderly persons section of the Rains bill.

Mr. HOLIFIELD. Yes; I am in favor of that.

Mr. WIDNALL. That provides \$100 million of authority. That will have to go through the Appropriations Committee. Does the gentlemen think that would destroy the housing for the elderly persons program?

Mr. HOLIFIELD. I do not know what the Appropriations Committee will do. The Appropriations Committee sometimes pleases me and sometimes it does not. I say that when any committee of this House tries to take unto itself too much authority it is riding for a fall.

I may say to the esteemed members of the Appropriations Committee that they should leave a little bit of the judgment as to the programs which the Congress should accept to some of the legislative committees that have their functions, their privileges, and their responsibilities.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, there is nothing new about the coalition that masterminded the substitute before us.

This alliance has made an annual appearance each year that I have been here—and long before—whenever housing legislation and certain other bills have come to the floor.

The common denominator of this group seems to be a desire to see low-cost public housing wiped off the books once and for all, to cut back and cripple the urban renewal program, and by eliminating the public debt transaction to hamstring the housing program in general.

Mr. Chairman, there is nothing new about the coalition behind this substitute, but it has certainly been a long time since the leadership on the other side of the aisle has gone quite so far as they have this year.

Apparently it has come to the point where they do not even fly their own banner any more, preferring instead to engage in the pretense that they are supporting a Democratic substitute.

From their standpoint the only trouble with this smokescreen is that it is transparent. Nothing could be more obvious than that the Herlong substitute is democratic only to the extent of the name of its sponsor. In effect it is the administration bill with a misleading label.

Mr. Chairman, if there is any question about what is back of this substitute, the answers are not hard to find.

In the first place, there is currently an opportunity to kill the public housing units authorized under the Housing Act of 1949. No one would expect an inviting opportunity like this to be overlooked and passed by—and sure enough the administration announced early in the session that it had had enough public housing, thank you, and was not anxious for any more.

Mr. Chairman, it would not be so bad if the administration and other supporters of this substitute really believed that public housing is no longer needed. But the administration admits that there is both a present and future need for this low-cost housing. It has conceded that half of the families displaced by urban renewal, highway construction,

and other public activities cannot be housed except in public housing, and it has even gone so far as to estimate that of the 248,000 American families that will be displaced by Government action in fiscal years 1958, 1959, and 1960, 123,000—or nearly half of these families—will have incomes too low to rent or buy decent private housing.

Yet in the very face of these administration estimates the President has requested that public housing be abandoned.

Mr. Chairman, I would like to know where these 123,000 low-income American families are going to live after they have been displaced. The fact is that there is only one thing that they can do, and that is to move into or create new blighted areas and new slums. That is the hope and the helping hand offered by the Herlong substitute which carries out the administration decision to have done with public housing.

And the story behind the urban-renewal provisions in the substitute is not much different. What happened here is that the administration seems to have become disenchanted with the necessary cost of this program to preserve and save our American cities. But here a frontal attack was out of the question; so the administration, instead, came up with a proposal to change the two-thirds-one-third ratio by which the Federal and local governments share the cost of acquiring and clearing urban-renewal property. To scuttle the program, the administration proposed that the local contribution be 50 percent, instead of one-third. I do not think there is a mayor of a single major city in this country that appeared before our committee who did not testify that the local tax bases have been so stretched and strained that it simply would not be possible for them to participate in urban renewal on the proposed 50-50 basis.

Mr. Chairman, if the Herlong substitute is adopted, opponents of public housing and urban renewal will have won their greatest day, not only because these programs will have been killed or crippled, but because there will also have been won the device for keeping these victories intact, namely, the double-jeopardy requirement for Appropriations Committee approval.

Mr. Chairman, I urge defeat of the Herlong substitute.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on the Herlong substitute and amendments thereto cease at 2:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SMITH of Virginia. Mr. Chairman, reserving the right to object, this is a crucial point in a crucial bill. We have plenty of time. We have been loafing for 4 months in the House, as far as that is concerned. We are probably not going to do anything else this week. I hope the gentleman will not press his request at this time but will permit this debate to run along a little further. For instance, I would like to have a little time. I would want not less than 5 min-

utes, and I see a great many other gentlemen standing who want to be heard.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from Alabama [Mr. RAINS]?

Mr. McDONOUGH. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on the Herlong substitute and all amendments thereto cease at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama, Mr. RAINS?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. How much time will that permit each Member?

The CHAIRMAN. Approximately 4 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, for the last several hours I have heard considerable discussion here about the action of the Committee on Rules, on which I have the privilege of serving. I have heard about coalitions, and I have heard about attempts to ram something down somebody's throat, in an unorthodox and irregular manner. Mr. Chairman, nothing could be further from the truth. Let me say to you, in the first place, as one of those on the Committee on Rules who was responsible—and I take my full share of responsibility—for holding up this bill for several weeks, that to the best of my knowledge and information there never was any question in anybody's mind about preventing this House from considering a housing bill. That being true, what did some of us have in mind? We had in mind that if we could hold up this proposed enormous and unnecessary additional drain upon the Treasury of the United States, we might be able to work out something that would give you a housing bill, in the first place; and in the second place, that would be somewhere near the ability of the Treasury of the United States to sustain the impact. The result has been the Herlong bill. Now, what is so undemocratic, what is so unparliamentary about that? If anything, this is the most liberal rule you have had here in many a day. It is not only an outright open rule, but it also points up and provides for the consideration of a package bill such as I have just tried to outline to you that would have those qualifications.

You know, sometimes I wonder what motivates people to come down into the well of this House and talk about the Democratic Party and the Republican Party—and they do it on both sides of the aisle. Somehow I got the conception when I came to the Congress that my people elected me to come here to try to do the best things for the best interests of our great common country. I said to you on another occasion here very recently that I had gone down to

talk to the Secretary of the Treasury about our fiscal condition. I do not have the time to elaborate on that, but I just want to read to you what I said here—to be exact as to the time—on March 19, which is just about a month ago. I quote from the CONGRESSIONAL RECORD as follows:

I was talking with the Secretary of the Treasury, Mr. Anderson. When I started that conversation I was worried about the

future of my grandchildren. But, when I got through talking with this man who knows more about that than I do, I was worried about myself and not my grandchildren.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BOW. Mr. Chairman, I ask unanimous consent that the time allotted to me may be granted to the gentleman from Mississippi.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. MASON. Mr. Chairman, I must object.

Mr. COLMER. Mr. Chairman, I submit the following chart for the RECORD showing an analysis of the Senate bill, the Rains bill, the administration's recommendations, and the Herlong substitute:

Comparison of the financial impact of 1959 omnibus housing bills (including direct Treasury withdrawals, contracting authority for subsidies and grants, public debt transactions and authorizations for future appropriations)

Program	S. 57 as approved by Senate	S. 57 (House Banking and Currency Committee substitute)	Administration program	H.R. 711 (Herlong substitute)
1. Urban renewal capital grants...	\$2,100,000,000 <sup>1</sup> (5 years) through fiscal 1964.	\$1,500,000,000 <sup>1</sup> (2 years).....	\$1,550,000,000 <sup>1</sup> (6 years with gradual decrease of Federal portion from 66 2/3% to 50%.)	\$600,000,000 <sup>2</sup> (2 years); on present Federal two-thirds formula.
2. Urban renewal temporary loans.	Indeterminate; <sup>3</sup> repeal \$1,000,000,000 ceiling on Treasury withdrawals.	Indeterminate; <sup>3</sup> repeal \$1,000,000,000 ceiling on Treasury withdrawals.	Indeterminate; <sup>3</sup> repeal \$1,000,000,000 ceiling on Treasury withdrawals.	\$400,000,000; <sup>3</sup> retain statutory ceiling but authorize raise by appropriation.
3. Urban planning grants.....	\$10,000,000 <sup>2</sup> .....	\$10,000,000 <sup>2</sup> .....	\$10,000,000 <sup>2</sup> .....	
4. New direct lending program for nonresidential development.			\$150,000,000 <sup>3</sup>	
5. New program for Federal cash grants for graduate training of planners and housing technicians.	\$1,500,000. <sup>2</sup>			
6. FNMA special assistance..... Special assistance mortgages.	Indeterminate. Would require all to be bought at par. FNMA now purchases these mortgages at prices below par. <sup>3</sup>	Indeterminate. Would require all to be bought at par. FNMA now purchases these mortgages at prices below par. <sup>3</sup>		
Cooperative housing mortgages under FHA section 213.		\$75,000,000; <sup>3</sup> would require par purchase.		\$75,000,000; <sup>2</sup> par purchase not mandatory.
7. College loans: Direct loans for housing.....	\$300,000,000 <sup>3</sup>	\$400,000,000 <sup>3</sup> .....	\$200,000,000 <sup>3</sup> .....	\$200,000,000. <sup>3</sup>
New direct lending program for classrooms, laboratories, etc.	\$125,000,000 <sup>3</sup> .....			
8. "Elderly" housing direct loans.....		\$100,000,000 <sup>2</sup> .....		But liberalizes FHA Elderly Housing Program.
9. Public housing.....	\$874,500,000 <sup>1</sup> (45,000 units) <sup>4</sup> .....	\$3,700,000,000 <sup>1</sup> (190,000 units) <sup>4</sup> .....		
10. Veterans' direct loans.....	\$150,000,000 <sup>2</sup> .....	\$300,000,000 <sup>3</sup> (in separate bill, H.R. 2256).		
11. Farm housing research.....	\$225,000 <sup>2</sup> (3 years).....	\$100,000 <sup>2</sup> (2 years).....		\$100,000 <sup>2</sup> (2 years).
12. Grants and loans for hospital construction.	\$15,000,000 <sup>2</sup> .....	\$15,000,000 <sup>2</sup> .....		\$15,000,000. <sup>2</sup>
Total.....	\$3,376,225,000 (plus indeterminate withdrawals for urban renewal loans, item 2 above).	\$6,100,100,000 (plus indeterminate withdrawals for urban renewal loans, item 2 above).	\$1,910,000,000 (plus indeterminate withdrawals for urban renewal loans, item 2 above).	\$1,290,100,000 (total, no hidden budget impact).

<sup>1</sup> Authorizes irrevocable contracts pledging faith of U.S. Government. Congress is bound to appropriate money in future years.  
<sup>2</sup> Subject to Congress appropriating the necessary money.

<sup>3</sup> Direct Treasury withdrawals noted on books of Treasury as "public debt transactions."  
<sup>4</sup> Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, a good many years ago we started this housing program. The Federal Government has already sunk better than \$10 billion in it and they have built housing projects all over the United States in places where there was no shortage of housing and where there were good places for people to live. The money has gone out. A great number of people have been employed as a result. But, now we are facing a condition where the deficit today in this fiscal year is \$15 billion and at the end of the year it cannot be less than \$13 billion. It is time that we began to put on the brakes.

Mr. Chairman, what does this bill do, as it has been reported to us by the committee? It makes available enormous sums of money. The total runs practically to \$6 billion in addition to what has already been provided. It is spread out over a period of years. I do not know whether it is because of a lack of confidence in their own operations or what it is, but that money is available for 5 years and some of it is available for 6 years. Further, there

is no annual review of what they are doing. There is no control over it in any way anywhere. As a result of the operation of this bill, the Congress of the United States will be abdicating its rights and its functions and its duties. It will be turning over en masse to the Executive the entire operations of the job of handling Government money over a long period of years with no control whatever. There is bound to be trouble and waste and all that sort of thing. The only way the Executive can be kept in line is by careful and continuous review by the Congress. This bill does not provide that review and control. It has no safeguards. It just turns things loose. There is no way of getting anywhere or doing anything to keep the spending of this money in line or to keep the spending under control. It is about time that we stopped doing things that way. The Herlong amendment will provide all that is needed and all that can be used of funds to guarantee mortgages up to \$6 billion. It will provide all that is needed in a great many other ways for the operation of any legitimate Federal aid to housing.

I hope the amendment can be adopted.

The CHAIRMAN. The gentleman from California [Mr. ROOSEVELT] is recognized.

Mr. ROOSEVELT. Mr. Chairman, I think it is apparent that the key issue in our discussion of pending housing legislation revolves around the matter of public housing. While I am aware that we shall not have unanimity on other aspects of a housing program, I do believe that where we need a reasonable amount of discussion—for clarification—is in the area of public housing.

First, let me make known my position. I support the public housing provisions contained in the bill reported by the House Committee on Banking and Currency, S. 57. I support these provisions because the public housing program is still needed, and further, any action we take in support of public housing would merely restore a previous authorization.

The public housing authorization contained in S. 57 is not excessive nor a pie-in-the-sky approach. It is a minimum authorization.

Opponents of public housing may pose this question: "Why authorize additional public housing units when not all of the previous public housing authorization

has been used?" I would like to address myself to this self-imposed question.

First, it should be stressed that S. 57 restores the original authorization for public housing enacted in the Housing Act of 1949. S. 57 calls for the construction of approximately 140,000 public housing units, remaining under the authorization made 9 years ago. This would be at a rate of 35,000 units per year, over a 4-year period.

Now it is thus obvious that some public housing units have not been constructed in some communities. Yet this should not be used as evidence to detract from the ever-present need for public housing. Just because some communities have not chosen to undertake a public housing program should not mislead us into preventing other communities from so doing, communities that have demonstrated need and the desire to proceed with a public housing program.

All that S. 57 does is to authorize public housing; hence, public housing construction will only take place where there is an evident need and desire to pursue the program. If no need is demonstrated, no units will be built. But where the need has been and will be shown certainly we should not hamstring community programs by disallowing congressional authorization.

If one checks the cost factor, it will be noted that the aggregate of new expenditures during fiscal 1960 which would result from enactment into law of S. 57 would be less than \$100 million. This would represent only thirteen-hundredths of 1 percent of the administration's proposed Federal budget.

While on the subject of Government expenditures, I am impelled to refer to the eloquent plea in behalf of sound Government credit, a plea made yesterday during discussion of the rule by one of the most effective as well as respected—and deservedly so—Members of the House, the Honorable HOWARD SMITH.

In his able presentation he stressed the need not to endanger the credit of the U.S. Government, and he expressed a concern, felt by many of us, about the falling price of Government bonds while the interest rate or cost continues to rise.

The comments offered by my distinguished colleague have, very frankly, greatly disturbed me, because in essence what he intimates is that unless the Federal Government dutifully submits to the terms and conditions laid down by the moneychangers—and, let us face it, the Government borrows money from moneychangers—then the price of Government bonds will reach a new low, while the interest rate will reach a new high.

First, I want to point out that to give in to this type of pressure at a time when the people, the average taxpayers of the country, are forced to pay an exorbitant 4 percent would be an abdication in behalf of the benefit of a very select, a very small but admittedly powerful group, the moneychangers. I further want to point out and to remind my colleagues that it was in 1933 that the affairs of our country had reached such a sorry mess, largely due to our listening to money-

lenders to such a degree that they were in control of the financial operation of our Government—the people's Government—and thus indirectly in control of the whole economy. We had a condition of human suffering and misery that I know none of us ever wants to see again.

I am not at all ashamed to quote from the inaugural address of the newly elected President when he said in the year of 1933:

The moneychangers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Therefore, the issue before us is simply this: Will this Congress willingly and knowingly bow to the moneychangers on every piece of legislation that comes before it? Will we allow this self-centered, self-contained group, by unreasonable, unjustified and irresponsible demands, to do away with public housing and urban renewal affecting millions of our citizens? If we submit now, forgetting the merits of the subject at hand, will it follow that a pattern of submission will be our mark on other legislation which will be before us?

I fervently hope the answer will be an unmistakable "No." I have no fear that our country will collapse if we do not follow the dictates of the profit moguls.

We will find a way out, as we did in 1933, but while we are finding that way, we cannot continue to overlook the crying needs of several millions today nor can we afford to add to their number, countless more millions.

I join with my able colleague, the gentleman from Texas [Mr. PATMAN], when he said we can take care of the Government bond situation in different ways, and I hope this will be done soon and in an effective manner.

Mr. Chairman, may I conclude by stating categorically that I for one am not going to have any part of such a disgraceful surrender, at this or any other time; I hope with all my heart that my colleagues, on both sides of the aisle, with the lesson of history before them, will turn down the Herlong amendment and vote for the committee bill, S. 57—a bill for the people of our country, not the moneylenders. Let us not allow the measure of our internal strength to be destroyed by allowing mere monetary profit to lessen the nobleness of our social, yes our human, values.

The CHAIRMAN. The gentleman from Michigan [Mr. CEDERBERG] is recognized for 4 minutes.

Mr. CEDERBERG. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Florida [Mr. HERLONG]. I might say that even that with me is a compromise. This business of public housing is something I believe should be stopped right now and a thorough investigation should be made to determine the abuses that exist in this area of housing.

An editorial appeared in the Boston Herald on Monday, April 13, 1959, en-

titled "The New Elite." It read in part like this:

Last fall, in a referendum subverting Mayor Hynes' right to determine appropriate municipal pay scales, Boston firemen won pay raises ranging from \$790 to \$1,050.

These raises were also given to the police department. As a result, many of these no longer qualify for occupancy in low rent public housing.

The editorial continues:

Now, the Boston Housing Authority is seeking to raise the income ceiling for continued occupancy in State-aided housing projects so that 353 families of Boston police and firemen will not be evicted because of the increased income gained through the referendum.

The editorial states further:

A better instance of having one's cake and eating it, too, could hardly be imagined.

It goes on further:

Will the Boston Housing Authority state how many low-income families must stay in shabby tenements so that the fire and police families may remain in public housing?

May we not legitimately ask whether we are on the way, here in Boston, to the establishment of a new elite—a special class of drones for whom those without influence labor unremittingly?

Mr. Chairman, I say that until these things are corrected in the areas of public housing, it should be stopped, because all over the country there are people taking advantage of this low income housing who should not be there, thereby denying those who are eligible to have occupancy in these housing projects.

I had the privilege of serving as mayor of my home city, a city of 55,000 people. The bureaucrats from Washington wanted to put in 485 low rent public housing units in my city. I vetoed the action of the council which would have permitted it and said that "As far as I am concerned we did not need low rent housing." As a result, the very area in which low rent housing was going to go presently is a fine subdivision that is on the tax rolls and is a real asset to the community. All of the citizens in my home town, I believe, are taken care of adequately with housing, maybe some not as good as they ought to be, but they are standing on their own feet.

The more we get into this Government housing and Government assistance, the less reliance we are going to have, the less initiative we are going to have from the individual people.

I have no quarrel with some of the developments in certain of the real large cities. We already have some 587,000 throughout the country. I say we ought to stop it until we investigate what is going on in this area at the present time.

Why, Mr. Chairman, we are even advertising for people to come into these low rent housing units. I think that is an unforgivable thing. We ought to look into this matter before we go any further with these projects.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. POWELL].

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

The Clerk read as follows:

Amendment offered by Mr. POWELL to the amendment offered by Mr. HERLONG: Add a new title as follows:

**"TITLE VIII—NONDISCRIMINATION**

"Sec. 1007. No insurance, grant, loan, contribution or guarantee or commitment to insure, grant, loan, contribute or guarantee or other assistance authorized under any title of this Act shall be given or made by the Commissioner, Administrator or other governmental official or agency administering the program under which the insurance, grant, loan, contribution, guarantee or commitment or other assistance is to be given or made unless the recipient and beneficiary of such insurance, grant, loan, contribution, guarantee or commitment or other assistance gives assurance in writing that the property for which the insurance, grant, loan, contribution, guarantee or commitment is to be given or made shall be available for sale, lease or occupancy without regard to the race, creed, or color of the purchaser, lessee or occupant.

"In the event that the recipient, beneficiary or any successor in title fails to conform to such written assurance, the Commissioner, Administrator or other governmental official or agency administering the program under which the insurance, grant, loan, contribution, guarantee or commitment or other assistance has been or is to be given or made shall have the authority to deny, withhold, suspend or terminate the insurance, grant, loan, contribution, guarantee or commitment or other assistance."

Mr. COLMER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. COLMER. Mr. Chairman, I raise the point of order that the amendment is not germane because it is too general in its nature, it is not specific in applying to any particular provision.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

The amendment offered by the gentleman from New York [Mr. POWELL] is restricted to any title of this act and is specific, in the opinion of the Chair.

Therefore the point of order is overruled.

Mr. POWELL. Mr. Chairman, this amendment, in brief, is an amendment which carries out the purposes of the Housing Act of 1949 already on our books, 63 Stat. 413, section 2. The exact language is "to provide a decent home for every American family. It does not say for American families that are Protestant or for American families that are white. It says for 170 million Americans.

Now, we have evidence, which I will introduce in the Record later, to show that there is discrimination being practiced in public housing, not against Negroes alone but against Jews, Catholics, Orientals, and Puerto Ricans. There are about 40 million Catholics in this country, about 8 million Jews, about 20 million Negroes, about 3.5 million Puerto Ricans, and about 3 million Mexicans. All together they represent one-half of this Nation, 75 million.

May I refer to Hawaii, for instance, which we recently brought into the Union. We brought Hawaii into the Union because it answered some of the questions of Southeast Asia as regards our democracy. Are we going to refuse

housing to the new Hawaiians because many of them are of Oriental descent? Take the Commonwealth of Puerto Rico, one of our showcases in Latin America—Are we going to refuse housing to the Puerto Ricans and disgrace ourselves further in Latin America? Are we going to refuse housing to the Negroes and cause disturbance in our foreign relationships with Africa? We are not only discriminating against one-half of our population, but we are endangering our relationships with a billion five hundred million of these people of Asia, Latin America and Africa. This is the time for simple justice to be effected by this Congress, and this amendment does that. It calls for no discrimination because of race, creed, or color.

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

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

Mr. WIDNALL. On yesterday in the gentleman's statement he said, "I am going to do everything I can to support that bill," referring to the Rains bill, "and also to defeat the Herlong substitute."

Mr. POWELL. Correct.

Mr. WIDNALL. My question is this: If the Herlong substitute should not prevail, does the gentleman intend to offer this as an amendment to the Rains bill?

Mr. POWELL. Absolutely.

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

The question was taken; and on a division (demanded by Mr. POWELL) there were—ayes 48, noes 138.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I do not think we can laugh off the financial impact of this bill as some wanted to yesterday after the fine talk made by the gentleman from Virginia [Mr. SMITH]. The security and the welfare of our country largely depends upon the stability of the dollar. Many of the problems today, many of the welfare cases we have today, many of the problems that cause people to write us every day asking to have social security payments enlarged, come because of inflation and rising prices. Any dollar that goes beyond the budget as planned helps to unbalance the budget and helps to create further inflation. I cannot quite understand, as a member of the Subcommittee on Housing over a period of years, with the very eminent and distinguished chairman, the gentleman from Alabama [Mr. RAINS], how in 1 year, when we are having better times, fuller employment, the demands for public housing should go up from nothing in his bill last year to 140,000 units in his bill this year, or 190,000 units, as we contend, or how the demands for urban renewal have in 1 year gone up from \$350 million to \$500 million each year for 3 years. There has not been that much additional blight added. Is this in the bill for bargaining purposes, or is it what

is truly wanted by the committee? I am sure that we can come out of a conference with the Senate with a sound bill that will be agreed upon by both Houses, one that will enable the President to sign it so that we can make progress in the housing program for America. We cannot do it if we go to conference with the Rains bill. It is impossible to do it on that basis. And I feel very sure the President would veto such legislation.

Now, what do we want? Do we want to make progress in these fields? Do we want to continue our college dormitory program? Do we want to continue urban renewal on a sound basis, or do we want to reach for the moon and get nothing?

Mr. Chairman, I would like to call your attention to this, that in the college dormitory section, the appropriations under the Herlong substitute would be \$200 million. The last authorization we had was \$175 million. That is a \$25 million increase over the previous authorization. It seems unrealistic to me today to say that you have to have a \$400 million figure.

With respect to urban renewal, I know how well certain people who are interested in urban renewal and selling urban renewal have done the job; they have gone around the United States telling towns that they ought to get on the gravy train, they ought to file their requests. I have seen it happen in my own district. The demands are endless in that field, if you are going to assert that you can get every dollar you want down in Washington.

Mr. Chairman, it seems to me this is a reasonable approach. The best has been taken out of the committee bill and is included in the Herlong substitute. It does not stifle housing. It encourages housing. We will get more housing and a better program, a sounder program and a more stable dollar. The people of the United States will like that bill when it is passed.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. CURTIN to the amendment offered by Mr. HERLONG: Page 43, following line 24, insert a new section as follows:

"Sec. 602. Title II of the National Housing Act is further amended by adding after section 231 (as added by sec. 802 of this Act) the following new section:

"MORATORIUM FOR UNEMPLOYED MORTGAGORS IN ECONOMICALLY DEPRESSED AREAS

"Sec. 232. (a) For purposes of this section—

"(1) the term "unemployed mortgagor" means any individual who is a mortgagor under a mortgage insured under this Act, if the Commissioner determines that the loan secured by such mortgage is (or is likely to be) in default because such individual, although willing and able to work, is unemployed through no fault of his own; and

"(2) the term "economically depressed area" on any given date means an industrial area within the United States in which there has existed unemployment of not less than—

"(A) 15 per centum of the labor force during the six-month period immediately preceding such date, if the principal causes

of such unemployment are determined not to be temporary in nature, or

“(B) 12 per centum of the labor force during the twelve-month period immediately preceding such date, or

“(C) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or

“(D) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date.

The determinations of the duration and amount of unemployment in a given industrial area, and any other determinations which may be required for purposes of this paragraph, shall be made by the Secretary of Labor and certified to the Commissioner not less often than quarterly; and the Secretary of Labor may also certify to the Commissioner, as an economically depressed area for purposes of this paragraph, any industrial area within the United States (even though it does not meet the requirements of subparagraph (A), (B), (C), or (D)) which is determined by him to be an area in which there has existed substantial and persistent unemployment for an extended period of time.

“(b) Upon application by an unemployed mortgagor residing in an economically depressed area and for the purpose of avoiding foreclosure of his mortgage, the Commissioner, subject to the requirements and conditions contained in this Act, shall assume the mortgagor's obligation to make payments of principal and interest under such mortgage; and while such payments are being made by the Commissioner pursuant to the assumption of such obligation no payment of principal or interest with respect to such mortgage shall be required of such mortgagor.

“(c) (1) The Commissioner shall assume any mortgagor's obligation under subsection (b) only if—

“(A) the mortgagor is not in default with respect to any condition or covenant of the mortgage other than that requiring the payment of installments of principal and interest under the mortgage in specified amounts and at stated times; and

“(B) the mortgagor executes a satisfactory agreement in writing as provided in subsection (d).

“(2) The assumption or suspension by the Commissioner of a mortgagor's obligation under subsection (b) shall terminate, and the mortgagor shall again be liable for the payment of all amounts due under the mortgage in accordance with its terms, on whichever of the following is the earliest:

“(A) one year from the date on which such obligation is assumed;

“(B) the date on which the mortgagor ceases to be an unemployed mortgagor as defined in subsection (a) (1); or

“(C) the date on which the mortgagor becomes in default with respect to a condition or covenant of the mortgage other than that requiring the payment of installments of principal and interest under the mortgage in specified amounts and at stated times.

“(d) (1) Prior to the assumption by the Commissioner of any mortgagor's obligation under subsection (b) he shall require the mortgagor to agree in writing to repay to him, after the maturity date of the mortgage but in the same manner and amounts and at the same periodic intervals as were applicable under the mortgage to the period during which such obligation was assumed, the aggregate amount of the payments of principal and interest required under the mortgage during such period.

“(2) In addition to requiring the mortgagor to execute the agreement described in paragraph (1), the Commissioner shall, prior to the assumption of his obligation

under subsection (b), take such action, and require the mortgagor to take such action, as may be necessary or appropriate to insure that the rights and interests of the mortgagee will be adequately safeguarded during and after the period in which such obligation is so assumed.

“(e) Nothing in this section shall be construed as requiring the mortgagor, at any time during or after the period during which his obligation is assumed by the Commissioner under subsection (b), to make any payments under the mortgage in amounts or at times other than those which are regularly provided in the mortgage and those which are required after the maturity of the mortgage under the agreement executed pursuant to paragraph (1).

“(f) After the obligation of any individual to make payments of principal and interest under a mortgage has been assumed by the Commissioner under this section, shall not again assume the obligation of such individual to make such payments under that mortgage or assume the obligation of such individual to make such payments under any other mortgage.

“(g) The Commissioner is authorized and directed to issue such regulations as may be necessary to carry out this section.”

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CURTIN] is recognized.

Mr. SMITH of Virginia. Mr. Chairman, I make a point of order against the amendment, but I will reserve the point of order so that the gentleman from Pennsylvania may explain his amendment.

Mr. CURTIN. Mr. Chairman, both the committee bill and the Herlong substitute bill make relatively easy the purchase of homes. However, it seems to me that both of these bills leave out a very important factor. They do not adequately cover the retaining of such home after the homeowner has acquired it. In many sections of the country, during the last few years, we have had situations of conscientious and industrious persons losing their FHA insured homes due to the fact that they live in a distressed area and also because they were temporarily out of employment through no fault of their own. The substitute bill, as well as S. 57, seeks to bring the law regarding FHA foreclosures in line with the existing law regarding VA mortgage foreclosures. In other words, the substitute, as does S. 57, provides that if the mortgagor, or homeowner, is in default on his mortgage payments, the Commissioner can, at any time he so desires and, in fact, after a certain time, must, foreclose on the defaulted mortgage, although the Commissioner does have the power to make regulations to ease the conditions of default for a certain period of time. However, the homeowner is still in default and, therefore, there must be a foreclosure unless some payments are made during this period. My amendment would provide that in the event that such homeowner is unemployed, through no fault of his own, and living in such a distressed area, he can secure a moratorium for the length of time that he is unemployed up to, but not to exceed, 1 year, upon the signing of an agreement extending the term of his mortgage for the appropriate period of unemployment. At the conclusion of

that period, of course, the payments will resume. This amendment further provides that such mortgagor is not forgiven these 12 payments, or part of the 12 payments if he is not out of work for 1 year, but that such time is tacked on the end of the mortgage term and he must then pay. I submit that this will cost the Government only a relatively small amount of money, because the Government still has the security in the property on which the original commitment was made. The mortgagee already has certain payments that this homeowner has previously made on the mortgage prior to the time of such unemployment. Therefore, at the very most, and I repeat—at the very most, that could happen is the Government would get some deferred payments on an investment which we must assume to be a good one. Therefore, I submit that this is a very necessary addition to this legislation now before us.

The CHAIRMAN (Mr. WALTER). Does the gentleman from Virginia [Mr. SMITH] insist on the point of order?

Mr. SMITH of Virginia. Yes, Mr. Chairman; I insist on the point of order.

The CHAIRMAN. The Chair is ready to rule. The Chair calls attention to the fact that the amendment offered by the gentleman from Pennsylvania is to section 601 which is under title VI of the amendment under consideration. This particular section deals with the avoidance of foreclosure and states the procedures and circumstances under which a foreclosure may be avoided. The amendment offered by the gentleman from Pennsylvania very definitely applies to that section because it states the term “unemployed mortgagor” means any individual who is a mortgagor under a mortgage insured under this act.

The Chair rules that the amendment is germane. The point of order is overruled.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CURTIN].

The question was taken; and on a division (demanded by Mr. CURTIN) there were—ayes 31, noes 118.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Ohio [Mr. BOW] is recognized.

Mr. BOW. Mr. Chairman, I had not intended to take part in this debate. The question has been raised as to the intentions of some who are supporting the Herlong amendment. I may say to my colleagues that I am supporting the Herlong amendment because I believe it brings us some form of fiscal responsibility.

My good friend, the gentleman from California, a few moments ago cited language from the inaugural address of 1933. I remember it well; I heard it. It was a good phrase. But I remember that the President who was giving that inaugural address had just won a campaign for the Presidency, based upon economy in government and against the wasteful spending of the administration then in power. He said he would reduce the cost of government by 25 percent. We all know what happened. I say to my friends that if we are going to take those

words of the inaugural speech let us go back to the words of his campaign on fiscal responsibility and the reduction of the high cost of the Federal Government.

In my State of Ohio, and I heard several of my colleagues from Ohio speaking in behalf of S. 57 on the basis that we need it in Ohio. Let me say if we continue to cause this debt to mount, taxes to go up, the Federal Government taking more and more from the people of our States, we are not going to be able to permit the people in Ohio to do these things for themselves.

Let us reduce the cost of Federal Government so we can return to the States these tax dollars and have the things done where they can be done best, and that is in the States.

Let me say further, because some of the Members from Ohio have spoken on this bill, that I do not believe that the people of the 16th Congressional District of Ohio are interested in the continuation of the increasing of the debt and putting us further and further away from the day when we shall be able to do these things for ourselves in the State of Ohio.

The CHAIRMAN. The gentleman from Virginia [Mr. SMITH] is recognized.

Mr. SMITH of Virginia. Mr. Chairman, there has been a lot of talk about committees here and the arbitrary conduct of committees. In fact, I think the gentleman from California [Mr. HOLFIELD] who attacked the Rules Committee is of the philosophy that all committees except his committee ought to be abolished.

The Rules Committee in this matter did not desire to be arbitrary. There was not much pressure, except from a few people, about bringing out any rule on this bill, and you know it. Very few spoke to me about it. But what we tried to do, knowing there was a clear division and a very close division as to this kind of legislation, was to, if we could, get a bill before the House that the House could express its will on and perhaps enact a housing bill that was needed and one that would stand the test of a veto.

I did not like the committee bill. I know the members of the committee worked long and hard on it. I know it represents several months of work. I have great respect and affection for the members of that committee. Many of them are close friends of mine. But this is a complicated bill, and I do not think any member of the committee with his own hand ever wrote this bill. It is just as full of gimmicks as a dog is with fleas.

I am sorry that the leadership saw fit to cut off this debate because I think it is a subject we could afford to talk about for a long time. I am going to show you several things, and in doing so I am going to have to do a thing that is not very popular around here, and that is to mention the Constitution of the United States.

The Constitution of the United States provides that no money shall be taken out of the Treasury of the United States except by appropriation by the Congress. By the Congress, if you please.

If you have a copy of this bill, I think it would be interesting if you would turn

to page 130 and look at the language beginning in line 18, which says:

To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not, unless authorized by the President, exceed \$1 billion.

Mr. Chairman, look at that one, will you? Are you going to here vote for a bill that completely abdicates the functions of Congress and the Constitution of the United States and says that the President can authorize expenditures in an unlimited amount by simply going to the Secretary of the Treasury and handing him a note? That is what the bill says. I know that these gentlemen did not mean to do that.

What is the explanation? It specifically authorizes the President to authorize the expenditure of an unlimited sum of money; a function that under express language of the Constitution can only be exercised by the Congress.

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

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

Mr. GARY. I understand that under that provision there is nothing to prevent them from borrowing \$50 billion from the Treasury if the President authorizes it?

Mr. SMITH of Virginia. That is true, and if some of the folks I have seen advertised in the newspaper as the probable next President of the United States are elected, I think that is just what would happen.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as I listened to the attacks on public housing coming from the Republican side, I strained my ears to catch any accompanying music that might be coming from the chimes on Bob Taft's Monument. But the chimes were silent.

Public housing is a monument to the lifework of Bob Taft, and today those who with pride and affection had acclaimed him Mr. Republican and had hallowed him to the threshold of the White House, were joined together in verbally ripping to bits the edifice of his erection. No wonder the chimes on the monument of granite built here in Washington to Bob Taft's memory did not ring out. The chimes at least were loyal.

I was very happy in the 81st Congress to follow his leadership in planning a housing future for all our people, even the humblest.

Public housing stands today as the real monument to Bob Taft. How ironical that toward the end of the Eisenhower administration the party of Bob Taft should seek to destroy this monument. How ironical that to defeat this good housing bill which the committee has presented there is even hurled at us the threat of a Presidential veto.

I am not a Republican. I did not agree with Bob Taft on many things, but serious differences in other areas did not

blind me to his dedication to decent housing for people, and I followed his leadership in public housing.

I am getting along and cannot expect to be here many years. I do not like to contemplate that men are so quickly forgotten that a decade after the passing of a leader his followers busy themselves in destroying what had been erected by the leader that in his life and power they had professed to admire, adore, and follow. I do not like to contemplate that before the Eisenhower administration is closed there should be any intimation that the man in the White House would veto a housing bill that did not carry the deathblow to the public housing program that forever will be associated with the name of Bob Taft. It would be unfair to put the President in this position.

I wish there could be greater understanding among us here. When I vote for the farmers—and I am from the city—I am trying to understand the other fellow's problems and help him in working them out, because this is our country and what is bad for any part of our country is bad for all of us. Down in Florida they had a problem with their oranges. The author of the substitute bill, my dear friend from Florida, who is not a housing authority, and I came here as freshmen together, and we are warm friends. I did not say to him: "Well, now, wait. I know nothing about growing oranges in Florida, but I will put in a substitute orange bill." I did not say that. I said, "The welfare of Florida means something to the welfare of Illinois," and I voted for that orange bill.

Why cannot you, who do not come from the cities of the North, who do not live with our problems, who have no familiarity with the magnitude of the tasks we face, with our cities bursting at their seams, ever threatened by engulfment in widening slums, ever demanding building and rebuilding to meet the challenge of progress, why cannot you give to us the same ear of understanding that day after day, Congress after Congress, we have bent to you and your problems?

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BROYHILL].

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

The Clerk read as follows:

Amendment offered by Mr. BROYHILL to the amendment offered by Mr. HERLONG: Page 90, after line 12, insert the following:

"(3) Section 203(b)(2) of such Act is further amended by inserting after 'unless the construction of the dwelling was completed more than 1 year prior to the application for mortgage insurance' the following: 'or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction.'"

Mr. BROYHILL. Mr. Chairman, my amendment would incorporate in the regular FHA section 203 sales housing program a provision which I think the committee wisely included in its revision of the FHA 203(i) insurance program for low-cost housing in outlying areas. I refer to the provision which would allow the FHA maximum mortgage limitation to apply to an existing property



less than a year old if such property was subject to inspections during construction by either the Federal Housing Administration or the Veterans' Administration. The committee report succinctly explains the provision by stating:

Your committee believes that the inspection procedure and standards of the two agencies are essentially the same, and sees no reason why either agency should refuse to accept the inspection safeguards of the other.

The Veterans' Administration does accept FHA inspections but under existing law the FHA is not authorized to recognize VA inspections in such cases.

Let me illustrate the hardship of this deficiency in the existing FHA law. For a \$13,500 house, FHA inspected, a mortgage of 97 percent of value is permitted resulting in a downpayment of 3 percent or \$405. However, if that same house only had VA inspection but is sold FHA within a year, the FHA mortgage may not exceed 90 percent of value resulting in a required downpayment of 10 percent or \$1,350. Under my amendment the buyer of this home would only be required to make the 3 percent or \$405 downpayment for a FHA mortgage providing the house had been inspected by either FHA or VA during construction.

Since under existing law for the regular FHA sales housing program the 7 point penalty differential applies only to the first \$13,500 of value, another bad effect of the provision is that relatively it works the greatest hardship on the buyer of the moderate-priced home. That should be corrected and my amendment will do so.

My amendment will give needed and desirable flexibility permitting builders and buyers to finance the eventual sale under either FHA or VA without penalty to the buyer. Relatively it will benefit most the buyers of moderate-priced homes. It will conform existing law to a good provision proposed in this bill. I hope my amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The question was taken; and on a division (demanded by Mr. BROYHILL) there were—ayes 113, noes 10.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I am opposed to the Herlong substitute. It substitutes a mere title for vital housing needs throughout the country. If we can spend money, as we do, throughout the world for housing and highways and defense, it certainly seems that we ought to be able to spend a little in our own country. After all, in the housing program we are adding to the capital plant of what constitutes America. If today we were to sell the public housing units that are already constructed, the return from such a sale would produce three times the original cost in most instances, which would result in no cost to the Government for their use during

the past 20 years in which many of these units have been in existence.

I urge the defeat of the Herlong substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, the fundamental issue before us today I think was very well presented by the gentleman from Virginia [Mr. SMITH] in his speech yesterday. It is a question of fiscal responsibility.

The gentleman from Illinois [Mr. O'HARA] who preceded me by a few speakers, referred to Senator Taft. I would say this: There was one basic factor in Senator Taft's political and economic philosophy and that was fiscal responsibility. And in this regard I believe President Eisenhower joins. And I am very happy to observe that there are many people on the Democratic side who still think that fiscal responsibility is an important issue. And that is the issue before us now.

Mr. Chairman, I want to say this to those who talk about the little man. Fiscal irresponsibility does more damage to the little man than any single thing I can think of. As far as financiers are concerned—and I notice that the gentleman from California used the smear term "money changers"—as far as the financiers of this country are concerned, they can handle themselves pretty well under inflation. It is the little fellow who is hurt. And the issue here is exactly that.

We started our economic hearings this year and the one thing that seemed to disturb the Democrats on the Joint Economic Committee was the unemployment picture. It concerned us and it concerns all of us. But also there was concern over price stability and the need for price stability if we are going to have economic growth which produce the jobs that solve unemployment.

The gentleman from Virginia has pointed out the situation of our Federal bond market. I want to call attention to the fact of the position of the U.S. dollar abroad; that is, that it is so rapidly becoming soft currency. This is no fiction, gentlemen. This is a very, very serious matter and those of us on the Committee on Ways and Means know what is going to face us in the next few weeks when we are going to be asked again to raise the debt limit and might even be asked to raise taxes.

So it is a question of what can we afford at this time? That is an important factor.

The second fiscal aspect of this bill, it has been pointed out, is procedural and it has to do with how do we properly handle legislation and appropriations in the Congress. Bypassing the Appropriations Committee is the surest way to lead to fiscal irresponsibility. That is a basic issue.

I would call attention to a third issue that has not been mentioned and which also concerns the Committee on Ways and Means. On page 61 of the report it is pointed out that vast additional billions of dollars under the committee bill will be made available through tax-exempt bonds. If you want to talk

about the rich people and helping the financiers, just create some more of these tax-exempt securities that they can put their money into. That is something that we on the Committee on Ways and Means have been concerned about for many, many years. What are we going to do about this great area that is opened up of tax-exempt securities? It is a very serious constitutional question but nonetheless it is a question that we are faced with here in the housing bill today.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CLEM MILLER].

Mr. CLEM MILLER. Mr. Chairman, I rise for the purpose of making a correction of fact with regard to the introductory remarks of the gentleman from Florida [Mr. HERLONG]. The correction is somewhat important because we may hear much more about this in subsequent debates. The gentleman from Florida said there were 100,000 units of public housing units available for next year. In other words, the idea or the argument is to defer any action on public housing because we have 100,000 units to play around with. It should be specifically understood, and I do not by any means intend to infer that the gentleman from Florida intended to make any error. He did not have the opportunity to appear before the Committee on Banking and Currency or before the subcommittee, but the 100,000 units of public housing have already been committed. There are no new units, there are no 100,000 units or any other units after June 30. When June 30 comes, those units expire and they will not be built unless they are under contract at that time.

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

Mr. CLEM MILLER. I yield to my colleague from Florida.

Mr. HERLONG. I thought I made it clear to the House, and if I did not, what I meant to say, and I hope I did say it, is that there were 110,000 units in the pipeline which are not under construction at this time.

Mr. CLEM MILLER. And if the contracts are not signed before that time, those units expire and may not be used at any subsequent time. I wanted to make that point clear for the record because great efforts are being made before the Committee to put across the idea that there would be new units after June 30. This is not the case.

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

Mr. CLEM MILLER. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Chairman, the Committee of the Whole in a few minutes will have sharply presented to it two different philosophies. One, the philosophy of the dollar and the other the philosophy of human values. The committee bill is a comprehensive bill. It takes into consideration human values. It takes into consideration the fact that the backbone of our country are human beings—the American people. It takes into consideration the unfortunate. It takes into consideration those who are less fortunate than many

others in America. When this vote is taken, it will mark quite sharply and clearly the difference between the great majority of Republicans and the great majority of Democrats. The entire history of the Democratic Party is one of consideration for human values. When this vote is taken, it will be a straight vote on whether human values are going to be regarded or disregarded.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I just want to clear up a point that was referred to by my colleague, the gentleman from California, regarding the 110,000 public housing units that are not yet constructed. The construction of those 110,000 units do not depend on the passage of this bill. The money has been authorized and it is up to the Committee on Appropriations to appropriate the money to continue them. In addition to these 110,000 units, there are 30,000 public housing units under construction that are not yet occupied. In addition to that, there is an experience of a 25-percent vacancy each year of the number of units that are now occupied and 25 percent of those total units are being occupied, some 590,000, gives 147,000 units available for new occupants each year. If you add 110,000 to 147,000, you have 247,000 public housing units that will be available whether or not the 110,000 are completed.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. CLEM MILLER. I believe you will find at page 131 in the record of the hearings that we held that 85,000 units is a more correct figure than 110,000 and that 35,000 units are not under contract and, therefore, we cannot assume that this figure of 110,000 is correct.

Mr. McDONOUGH. Then we can say 85,000 are available. If you want to take your figures, we can say 85,000 units are available plus 25 percent of the total number of units that are now constructed and using those figures, it gives you 147,000 units plus the 85,000 units.

Mr. Chairman, I am sorry I cannot yield further to my colleague because I do not have the time.

Mr. Chairman, with reference to the question of housing for the elderly and this is a sensitive point in this bill, the Herlong bill provides for an FHA insured loan for an unlimited amount of money. The Rains bill provides for \$100 million which is subject to the Committee on Appropriations as to how much will be allowed from year to year. If the total amount were allowed, we could build about 10,000 units.

Under the present housing program in the existing bill without any further amendments we have built 9,546. There are some 67 units in operation, and the program is doing very well.

The question as far as the abundance of homes for the elderly is concerned is this: The Herlong bill provides much more abundant units than would be provided in the committee bill. I think that point should be clarified.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. HALLECK. Mr. Chairman, I do not know how many votes I might gain for the Herlong substitute at this stage of the debate, but I do not want to lose any.

I rise in support of the Herlong amendment.

Harsh things have been said here by certain Members about some sort of coalition, as they called it. I have not had much to do with the drafting of the Herlong substitute. I am supporting it because I think it is a good bill. But as far as any coalition is concerned, let me simply say, and I suggest this in answer to what the Majority Leader just said, that in my opinion some people in the Congress through recent years have seen fit to stand for things that they believed were right, and I happen to believe that that saved the Republic.

There are those who have a different philosophy. They do not seem to be concerned with the danger that excessive Federal spending will bring about more inflation, with deeper inroads into the value of the dollar.

Let me point out that inflation hits hardest those least able to take care of themselves. Inflation eats away the savings and annuities of millions of elderly citizens in retirement who have no way to keep abreast of a rising cost of living.

The wealthy can take care of themselves; they know how to hedge against inflation.

But the breadwinner on a fixed income, the workingman, and the people living out their remaining years on modest pensions—these Americans have no possible way to hedge against a decline in the purchasing power of their money. They can only stand by and see their standard of living go down and down and down. So that is the challenge as far as I am concerned, and I stand by our great President, Dwight D. Eisenhower, on that proposition.

We have heard a great deal about public housing. One time a few years back I supported an extension of public housing to the great concern of some people, but at the moment I think we have all the public housing we need.

There is complaint that nobody knows what is in the substitute. However, I can offer assurances that from what I have seen of the bill that it is a very well-written bill. It stems from the committee bill. It has been suggested that if the substitute is defeated there will be a lot of amendments to the committee bill. We have had some amendments to the Herlong substitute, some voted down, some voted into the bill. The gentleman from New York [Mr. POWELL] says he will offer his amendment to the committee bill, and maybe that amendment would have some application to public housing; I do not know. There are other people who want to take certain things out of the bill. Actually I say we have written a good bill and it ought to be adopted as this substitute. It provides for FHA authorization.

It provides adequately for urban renewal.

It provides housing for the elderly.

It provides for college housing.

It does all of the things that need to be done.

Last year it was said that if we did not have a housing bill the building industry would go to the dogs. We did not have any housing bill, yet the record shows that we had more starts for housing in the first quarter of this year than we ever had before. It looks as if we did very well.

I want to refer again to the spending issue. Actually the substitute would seem to cost about \$1.3 billion, the other bill \$5.8 billion, and the committee bill probably a billion dollars more in the next year, or very substantial amounts more in the next year than the substitute.

The substitute bill is within the budgetary figures offered by the administration. True, there are provisions in there which have been referred to that are not exactly acceptable to the administration.

The gentleman from Illinois, whom I love and respect, says that the minority leader has been hurling threats of vetoes. I never hurled any threat of a veto, but I think I have a right to my personal opinion about what might happen in respect to proposed legislation.

I do not believe that the committee bill can ever become law in this country. I am convinced that the substitute bill can become law and can become law quickly, if we are not taken to the cleaners in the conference. That is the situation that confronts us: an adequate program carefully worked out, carefully considered here in the Committee of the Whole, amendments offered and debated, voted up or down. I say now is the time to settle this matter once and for all by adopting the substitute which is here presented.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I was not sure I was within the rules until the gentleman from California had spoken in support of the amendment, and I assume that was all right.

In addition, there were two or three remarks made by the distinguished minority leader that I should like to make reference to.

One of them was that I predicted dire things for the housing industry if we did not get a housing bill last year. The distinguished minority leader has a short memory. As a matter of fact, when we were dragging our feet in—I will not call it a Republican depression, I will say a depression—in April of last year, everybody knows that in 30 minutes' time, without a dissenting vote we put a billion dollars into emergency housing legislation. So I say the gentleman must have forgotten. The home builders, the housing industry, people generally, tell me that today they are draining the bottom of the barrel of the billion-dollar emergency legislation. If you read the newspapers and the other financial journals of this country, you will

see that all of them predict hard money and no mortgage credit available immediately.

I am wondering if the minority leader thinks I am right in that statement.

Mr. Chairman, I get tired of hearing the intimated threat about so and so cannot become law. Let me tell you this. I say to you just as emphatically that the Herlong amendment cannot get out of the Congress, much less get to the President's desk.

So I repeat again, the minority leader is in error. Nobody can veto a bill until the Congress passes one, and in order to do that it takes both branches of the Congress. When they talk about so and so cannot become law and say there will be a veto, they are not considering the congressional processes. The truth is it is our duty in this Congress to write legislation, regardless of what any Chief Executive may think about it in advance.

The elected representatives of the American people on both sides of the aisle are not supposed to labor under the threat of a veto from any President, Democrat or Republican. You know, after all, every single individual here has his own responsibility, and I do not think the President of the United States ought to be concerned until it gets to his desk.

I am sure that is the way the legislative processes should work. I say, Mr. Chairman, let us write the best bill we can write and that will be what the American people want us to do.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I have a suggestion to make. We have laws to govern our procedure. They are respectable laws that have been seasoned by time and ripened by experience. Through the years they have proven to be wise laws and we have operated under them. The methods of procedure provided by those laws have been ignored in this consideration. A rule has been granted that has capped a padlock on the minds of the Members. We have been compelled to consider an amendment, a substitute bill, that has never been referred to any committee, that has never been considered by any committee, that has never been reported. There has been no statement made of the changes the substitute bill would make in existing law, as required by the parliamentary rules under which we are operating. If we adopt this amendment we will have done so without any regard to established legislative procedure. The suggestion I make is that you vote the Herlong amendment down and then resort to the regular parliamentary procedure. We will read the committee bill under the 5-minute rule. You will have an opportunity to consider it under established parliamentary practice. You will have the advantage of the knowledge that the subcommittee has obtained through long experience and long hearings on that bill. Let us see that we do respect the laws of the House and let us vote this amendment down and consider S. 57 as it should be considered.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida [Mr. HERLONG], as amended.

Mr. HERLONG. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. RAINS and Mr. HERLONG.

The Committee divided, and the tellers reported that there were—yeas 177, noes 203.

So the substitute amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1960".

Section 203 residential housing insurance

SEC. 102. (a) (1) Section 203(b) (2) of the National Housing Act is amended by striking out "\$20,000" and inserting in lieu thereof "\$25,000".

(2) Section 203(b) (2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "\$16,000" each place it appears and inserting in lieu thereof "\$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(b) Section 203(b) (3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "thirty-five years".

(c) Section 203(b) (8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

(d) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments".

(e) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments".

(f) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following:

"(f) Section 203(c) of such Act is amended by striking out all that precedes the first colon and inserting in lieu thereof the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of

title 38, United States Code, prior to the beginning of construction, 90 per centum)"; and

(3) by striking out "and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of".

Section 207 rental housing insurance

SEC. 104. (a) Section 207(c) (1) of the National Housing Act is amended by striking out "\$12,500,000" and inserting in lieu thereof "\$20,000,000".

(b) (1) Section 207(c) (2) of such Act is amended by striking out "90 per centum" each place it appears and inserting in lieu thereof "95 per centum".

(c) Section 207(c) (3) of such Act is amended by striking out—

(1) "\$2,250" each place it appears and inserting in lieu thereof "\$2,850";

(2) "\$8,100" each place it appears and inserting in lieu thereof "\$9,000";

(3) "\$2,700" and inserting in lieu thereof "\$3,315";

(4) "\$8,400" and inserting in lieu thereof "\$9,500"; and

(5) "\$1,000 per room" and inserting in lieu thereof "\$1,250 per room";

(6) "\$1,000 per space" and inserting in lieu thereof "\$1,500 per space"; and

(7) "\$300,000" and inserting in lieu thereof "\$400,000".

(d) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5 per centum per annum".

(e) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

Cooperative housing insurance

SEC. 105. (a) Section 213(b) (1) of the National Housing Act is amended by striking out "\$12,500,000" and inserting in lieu thereof "\$20,000,000".

(b) Section 213(b) (2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, \$2,910 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That if at least 50 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed \$2,970 per room (or \$9,500 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,910 per room to not to exceed \$3,395, the dollar amount limitation of \$2,970 per room to not to exceed \$3,465, the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400, and the dollar amount limitation of \$9,500 per family unit

to not to exceed \$9,900, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed \$1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further*, That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided further*, That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso: *And provided further*, That for the purposes of this section the term 'veterans' shall mean persons who have served in the active military or naval service of the United States at any time on or after April 6, 1917, and prior to November 12, 1918, or on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to February 1, 1955."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(1) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided*, That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative: *Provided further*, That in the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost: *And provided further*, That as to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

(e) (1) Section 213 of such Act is further amended by adding after subsection (1) (as added by subsection (d) of this section) the following new subsections:

"(j) There is hereby created a Cooperative Management Housing Insurance Fund (herein referred to as the 'Management Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(1) and subsection (a)(3) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Management Fund the sum of \$2,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Management Fund may be charged to the Management Fund.

"(k) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Management Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage insured thereunder and/or at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That, in no event shall the amount of such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of payment of such share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor: *And provided further*, That in no event may any such distributive shares be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(l) There is hereby created a Cooperative Sales Housing Insurance Fund (herein referred to as the 'Sales Fund') which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under subsection (a)(2) and individual mortgages insured under subsection (d) pursuant to commitments issued on or after the date of the enactment of the Housing Act of 1959 or mortgage insurance or commitments reissued under subsection (n). The Commissioner is directed to transfer to the Sales Fund the sum of \$1,000,000 from the Housing Insurance Fund established pursuant to section 207(f). General expenses of the operation of the Federal Housing Administration relating to mortgages the mortgage insurance for which is the obligation of the Sales Fund may be charged to the Sales Fund.

"(m) The Commissioner shall establish, as of the enactment of the Housing Act of 1959, in the Sales Fund, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Sales Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accordance with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Sales Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any such distributive share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance: *And provided further*, That in no event may any such distributive share be distributed until any funds transferred to the Sales Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor or mortgagee shall have any vested right in a credit balance in any such account, or be subject to any liability arising out of the mutuality of the Sales Fund, and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.

"(n) The Commissioner shall be empowered to reissue under the Management Fund or the Sales Fund, as the case may be, commitments or the mortgage insurance for any mortgage insured under this section pursuant to a commitment issued prior to the date of the enactment of the Housing Act of 1959, provided the consent of the mortgagees to such reissuance is obtained, or a request by the mortgagee for such reissuance is received, by the Commissioner within ninety days after the date of the enactment of the Housing Act of 1959; but the mortgage insurance for any such mortgage shall not be reissued under this subsection if on the date of the enactment of the Housing Act of 1959 the mortgage is in default and the mortgagee has notified the Commissioner in writing of its intention to file claim for debentures. Any insurance or commitment not so reissued shall not be affected by the enactment of the Housing Act of 1959."

(2) Section 207(f) of such Act is amended by striking out "and section 213" each place it appears and inserting in lieu thereof "and (except with respect to mortgages the mortgage insurance for which is the obligation of the Cooperative Management Housing Insurance Fund or the Cooperative Sales Housing Insurance Fund) section 213".

(3) Section 213(a)(3) of such Act is amended by striking out the semicolon at the end thereof and inserting in lieu of such semicolon a colon and the following: "*Provided*, That as to mortgages the mortgage insurance for which is the obligation of the Management Fund such stock or interest shall be paid for out of the Management Fund."

(4) Section 213(a) of such Act is further amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: "*Provided*, That as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund, the reference to the Housing Fund in section 207(b)(2) shall refer to the Sales Fund: *Provided further*, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing

Fund in section 207(b)(2) shall refer to the Management Fund."

(5) Section 213(e) of such Act is amended to read as follows:

"(e) (1) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(1) and subsection (a)(3) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund pursuant to section 213(j), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Management Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(1) and subsection (a)(3) of this section.

"(2) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under subsection (a)(2) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or Housing Fund shall refer to the Sales Fund, and (B) all references to section 207 or 210 shall refer to subsection (a)(2) of this section.

"(3) The provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 and subsection (p) of section 207 shall apply to individual mortgages insured under subsection (d) of this section, except that as applied to mortgages the mortgage insurance for which is the obligation of the Sales Fund pursuant to section 213(l), (A) all references to the Housing Insurance Fund or the Housing Fund in subsections (c), (d), and (f) of section 204 and subsection (p) of section 207 shall refer to subsection (d) of this section."

(6) Section 219 of such Act is amended by striking out "or the Servicemen's Mortgage Insurance Fund" and inserting in lieu thereof "the Servicemen's Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, or the Cooperative Sales Housing Insurance Fund."

#### *Increased mortgage amounts in Alaska, Guam, and Hawaii*

Sec. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after "maximum or maxima otherwise applicable" the following: "(including increased mortgage amounts in geographical areas where cost levels so require)".

#### *FHA mortgage insurance authorization*

Sec. 107. (a) Section 217 of the National Housing Act is amended by striking out "\$7,000,000,000" and inserting in lieu thereof "\$13,000,000,000".

(b) Section 217 of such Act is amended, effective July 1, 1959, by (1) striking out "July 1, 1956" and inserting in lieu thereof "July 1, 1959", and (2) striking out "\$13,000,000,000" and insert in lieu thereof "\$4,000,000,000".

#### *Repeal of obsolete provision*

Sec. 108. Section 218 of the National Housing Act is repealed.

#### *Section 220 mortgage insurance*

Sec. 109. (a)(1) Clause (1) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out "\$20,000" and inserting in lieu thereof "\$25,000".

(2) Subsection (d)(3)(A)(i) of section 220 of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum";

(B) by striking out "\$16,000" each place it appears and inserting in lieu thereof "\$18,000"; and

(C) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: "Provided, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness".

(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out "\$12,500,000" and inserting in lieu thereof "\$20,000,000".

(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

(1) by striking out "\$2,250" each place it appears and inserting in lieu thereof "\$2,700";

(2) by striking out "\$8,100" each place it appears and inserting in lieu thereof "\$9,000";

(3) by striking out "\$2,700" and inserting in lieu thereof "\$3,150";

(4) by striking out "\$8,400" and inserting in lieu thereof "\$9,500"; and

(5) by striking out "\$1,000" and inserting in lieu thereof "\$1,250".

#### *Section 221 Relocation Housing Mortgage Insurance*

Sec. 110. (a) Section 221(d)(2) of the National Housing Act is amended by striking out "\$9,000" and "\$10,000" and inserting in lieu thereof "\$10,000" and "\$12,000", respectively.

(b) Section 221(d) of such Act is further amended—

(1) by striking out "\$9,000" and "\$10,000" in paragraph (3) and inserting in lieu thereof "\$10,000" and "\$12,000", respectively;

(2) by striking out "the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated" in paragraph (3) and inserting in lieu thereof "the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction, or the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of the property or project";

(3) by striking out "and" at the end of paragraph (3) and inserting in lieu thereof "or"; and

(4) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed \$12,500,000;

"(ii) not exceed \$10,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed \$12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the re-

placement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

*Provided*, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And Provided further*, That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations, with such stock or interest being paid for out of the Section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and".

(c) Section 221(g)(2) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (3) or (4)".

(d) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof which covers property on which there is located a dwelling or dwellings designed principally for residential use for ten or more families."

#### *Servicemen's housing mortgage insurance*

Sec. 111. Section 222(b) of the National Housing Act is amended—

(1) by inserting "or 203(i)" after "203(b)" in paragraph (1); and

(2) by striking out "\$17,100" in paragraph (2) and inserting in lieu thereof the following: "\$20,000, except that in the case of a mortgage meeting the requirements of section 203(1) such principal obligation shall not exceed \$9,000".

#### *Builder's cost certification*

Sec. 112. Section 227(a) of the National Housing Act is amended by striking out clause (iv) and inserting in lieu thereof the following: "(iv) under section 221 if the mortgagor meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof,".

#### *Mortgage insurance for nursing homes*

Sec. 113. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

#### *"Mortgage insurance for nursing homes*

"Sec. 229. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by

the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"(2) the terms 'mortgage' and 'mortgagor' shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of operation, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed \$1,000,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that there is a need for such nursing home.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(d)) the following new sentence: "The provisions of this section shall also apply to the insurance of any mortgage under section 229."

#### Technical amendments

SEC. 114. (a) Section 8(g) of the National Housing Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j), and (k) of section 204".

(b) Sections 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out "and (j) of section 204" and inserting in lieu thereof "(j) and (k) of section 204".

*Inclusion of conveyance costs in debentures*  
SEC. 115. Section 204(k) of such Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property of the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 230."

#### Voluntary termination of insurance

SEC. 116. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

#### "Voluntary termination of insurance"

"SEC. 230. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

Mr. RAINS (during the reading of the amendment). Mr. Chairman, since title I has already been voted upon, I ask unanimous consent that the reading of title I be dispensed with and that it be open for amendment at any point in said title I.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. RAINS]?

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. BROYHILL to the committee substitute amendment: Page 90, after line 12, insert the following:

"(3) Section 203(b)(2) of such Act is further amended by inserting after "unless the

construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: 'or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction.'

Mr. BROYHILL. Mr. Chairman, this amendment is identical to the amendment I offered to title I on the Herlong substitute when it was under consideration. It was approved by the committee rather substantially. As I stated at that time, it is noncontroversial. I have discussed it with several members of the committee, and I said at the time the chairman of the subcommittee raised no objection to the amendment.

Mr. Chairman, I ask for the approval of the amendment.

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

Mr. BROYHILL. I yield.

Mr. RAINS. Mr. Chairman, as the gentleman from Virginia has said, this is more or less a technical amendment. While I have no authority to accept it on behalf of the committee, since it was adopted a little while ago and since, in my judgment, it would be a good amendment to the bill, I can see no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The amendment to the committee substitute amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier in the day I came in just as the gentleman from California [Mr. ROOSEVELT], who is a member of the Committee on Education and Labor, was making a very appealing plea for homes for people who cannot themselves obtain one such as they desire.

But permit the giving of a few figures which are approximately correct and which come from the Public Housing Administration.

Prior to 1949, the Government had participated in the construction of 210,842 units.

Under the 1949 act, the program called for 236,400 units under management; 30,400 under construction; 85,700 under subsidy contract but not then being constructed, and it had under consideration plans to add, under subsidy contract, by July 1, 1959—that being the end of the fiscal year—31,416—or a total of 594,758, if we count the units prior to the 1949 Act.

That Administration also states that the annual turnover is about 25 percent, and that, by the end of the fiscal year, which, as we all know, is July 1, 1959, there will be on the program approximately 595,000 units. On the basis of a 25 percent annual turnover, more than 148,000 units would be available each year without this or any other new legislation.

As the gentleman from California [Mr. ROOSEVELT] was talking, it occurred to me that he was a little too far ahead of the need for new Federal housing. A home is a very desirable possession, but unless the home owner has an in-

come or a job where he can get the money to buy something to eat, the furnishings he needs, a home is not much good to him.

The gentleman seems to have forgotten the need for labor legislation which will protect the homeowner. This time is taken because sooner or later—

Mr. Chairman, I cannot contend against the noise being made by the majority; hence I appeal to the Chair for order, and the appeal is made not because of any thought in my mind that the Members will listen or follow my advice or suggestions, but because I want it on the record.

The Congress in 1947 by the Taft-Hartley Act failed to make obviously needed corrections in labor legislation. I will not say the practice of extortion is a surprise because it is a customary thing; but the testimony—and you know we did have testimony which has been given to the House Committee on Education and Labor and you have the same thing from the McClellan committee—shows that it is an established fact that the group which defies law enforcement just refuses to permit anyone to transact his or her business in his own legal, lawful way.

The same evil, corrupt practice hamstrings even the largest corporations.

Recently, and this inexcusable—illegal business has been mentioned before—there have been before the Committee on Education and Labor witnesses—and there are thousands of similar cases which demonstrate that the unions now have the power and they are exercising that power to determine that no one, speaking comparatively, shall have a job and collect wages or do business unless he or she or it first pays tribute to the union. Whether the sums collected from some are the result of bribery or extortion is sometimes a question.

Just listen a minute. My friend from California and the other supporters of union racketeering—of course, they do not so intend—

Mr. ROOSEVELT. I hope the gentleman is not saying that I am a supporter of union racketeering.

Mr. HOFFMAN of Michigan. Certainly not. Not knowingly. Of course not. No one in this House so far as I know is, but the result of the refusal to write legislation which will prevent or lessen bribery or extortion is to encourage both. The effect of our refusal is to encourage both. That is neither our purpose nor intention.

This fellow Hoffa—are we by our failure to act supporting him in his threat of a general strike if we legislate to prevent a monopoly by unions? No; of course, we do not so intend—not if we know about it.

If I use the word "you," I am not referring to any particular individual; I am referring to the group which goes along with the opposition to remedial legislation, refuses to enact legislation which will stop or at least minimize the power of union organizers who say, as was said to those three witnesses who appeared before our committee the other

day: "You cannot operate this business"—and the largest number of employees employed by any one of them was three—"you cannot carry on this business unless you force your employees to join and pay dues to the union."

Who has the answer to that practice? That is the fact, and this Congress lacks either the intent, the willingness, or the courage to enact legislation to protect the average citizen or employer.

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

Mr. HOFFMAN of Michigan. In just a moment.

Read the testimony. Read the record. It is an established fact that today no one can do business unless he pays tribute to the union if the union in his locality does not want him to. In one case before our committee there were only two employees, and they told the woman who owned the business—who operated the grill—they did not go to the employees themselves, but they went to the boss; they never went to the employees; they never asked the employees if they wanted to join the union, but they went to her and finally put her out of business because she would not comply with their demands to force the employees to pay and join as a condition of further employment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Then I offer a preferential motion.

The CHAIRMAN. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his motion.

Mr. HOFFMAN of Michigan. Yes; and in anticipation that a point of order may be made against my argument, let me say that the point is that there is no use of enacting legislation providing homes unless the homeowner has enough money or an opportunity to earn to get something to eat if and when he gets in the home. That is my argument, and that is the situation of many a worker who cannot either get or hold a job.

Just think a minute, not one Member of this House, if he were working for an industrialist or any business organization, could work if Hoffa, or for that matter, Reuther, said he could not unless he joined and paid dues to the union.

There are thousands of such cases. The organizer does not always go to the employee; he goes to the boss and he says: "You tell your employees that they cannot work unless they join the union."

When Judge Starr, a Democrat, now sitting as judge in the U.S. District Court in the Western District of Michigan Southern Division, was a justice of the Supreme Court of Michigan, he wrote a unanimous decision condemning the practice to which reference is now being made—*Silkworth et al. v. Local No. 575*

of *A. F. of L. et al.* (309 Mich. 746). Among other things the court said:

In the present case we must determine whether or not defendants' picketing of plaintiffs' storage plant was for the purpose of obtaining a lawful labor objective. The motive for the picketing, that is, the result sought to be accomplished, was a question of fact. The testimony is convincing that defendants' real objective was to compel plaintiffs to put their drivers in defendant union by paying their initiation fees, regardless of whether or not the drivers wished to join. This was not a lawful labor objective. Defendants could not use the lawful means of peaceful picketing to accomplish such unlawful purpose.

To hold with defendants' contention, under the facts and circumstances shown by the record, would provide a way whereby employers could be coercively compelled to pay union initiation fees for their employees, regardless of whether or not the employees wished to join the union. Such a course would not be in the furtherance of legitimate union aims and activities, nor would it be for the best interests of unions of employees.

We confine our holding in the present case to the point that defendants could not use the lawful means of peaceful picketing to accomplish their unlawful objective. However, our decision should not be construed as in any way limiting or restraining peaceful picketing in the accomplishment of a lawful labor objective.

I do not believe there is anyone in this House who does not know that the present practices in some of the unions—that is, in those in which officials seek undue power—are to go to the boss and say: "You make your men join the union or we will picket you."

Talk about discrimination? How can you in good faith fail to enact legislation that will bar that practice which is extortion?

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

Mr. HOFFMAN of Michigan. Certainly.

Mr. KEARNS. Mr. Chairman, I thank the gentleman from Michigan. May I say that I have introduced a new labor bill. All I want to do is to take Mr. HOFFMAN's time to request each and every Member of Congress to read it, and I will be satisfied.

Mr. HOFFMAN of Michigan. And I am requesting, and the only thing I am requesting is that each Member just stop for about 3 minutes, think over the present situation and practice, then vote on the labor legislation when it comes up as your conscience dictates. I know how Members will vote if they give thought to the present practice. We cannot help but oppose those who are now collecting this tribute from men and women who want to work. Who rules this country? Hoffa? He says he is going to tie up all transportation. If he does, and the Department of Justice does not have people with sufficient ability to convict, let us get one which can.

Give it the necessary funds and learn whether the crooked bosses or the Congress is writing legislation, whether the Justice Department is giving the people equal justice under law.

The CHAIRMAN. The question is on the preferential motion offered by the

gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

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

I would like to direct the attention of the chairman of the Housing Subcommittee to section 102(d) of S. 57. This is the section which amends section 203(c) of the National Housing Act by authorizing the Commissioner to fix a premium charge for insurance at not less than 1 percent and not more than one-quarter of 1 percent of the principal mortgage obligation outstanding at one time.

There is a point which I am uncertain about in this section and which I would like to clear up. My inquiry is one in respect to clarification. I do not intend to offer an amendment.

My question of clarification relates to the application of section 102(d) of the Housing Act of 1959.

The section includes cooperative housing mortgages executed pursuant to section 213 of the National Housing Act, and I am not certain whether the provisions of section 102(d) cover both 213 co-op mortgages executed after the date of enactment of the Housing Act of 1959 and section 213 mortgages executed prior to the date of enactment of the bill.

I feel that there are persuasive reasons for its application to existing co-op mortgages. Since their inclusion in the Housing Insurance Fund in 1950, 213 co-op mortgages have built up an exceedingly favorable insurance-loss experience, losses to the fund totaling only about \$30,000 in the 9-year period. This is about one-third of 1 percent of the surplus which they have contributed to the fund.

In addition, since the rate of co-op insurance premium is not a matter of contract between the mortgagors and the mortgagees it can be changed by statute.

The outstanding experience of the existing 213's deserves to be rewarded by extending the proposed new insurance minimum to them. Cooperative housing—middle-income housing—is tremendously important to inhabitants of areas of high-cost housing. These are owner-occupied dwellings which receive the care devoted by owners of individual homes to their own residences. Equity and justice would indicate that owners of existing 213 co-ops receive the benefits of their own very favorable insurance-loss experience.

Mr. Chairman, in view of this record, which certainly justifies it, and in view of the uncertainty regarding the application of the provision, would it be your opinion that the minimum insurance rate provision of section 102(d) of the Housing Act of 1959 applies to 213 co-op mortgages executed prior to the passage of the act?

Mr. RAINS. The simple truth is that the section which the gentleman mentions has been mentioned to me by several members of the committee since we wrote the bill. The answer is "Yes, with certain qualifications," the qualifications being that it could not apply to that part of the mortgage where it would be retro-

active and could not apply if the mortgage was in anywise in default and could only apply to the parties mentioned in this particular bill. So, the answer to the gentleman's question is "Yes."

Mr. HALPERN. I thank the gentleman.

Mr. POWELL. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. POWELL: Page 19, after line 4, add the following new subsection:

"(d) Subsection (d)(4) of section 220 of such Act is amended by adding at the end thereof the following new sentence: 'Property covered by a mortgage coming within the provisions of paragraph (3)(B) of this subsection may include such commercial facilities as the Commissioner deems adequate to serve the occupants.'"

Page 51, insert "(a)" after "Sec. 408," in line 5 and insert after line 24 the following new subsection:

"(b) Section 110(c) of such Act is further amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this title, commercial establishments existing in an urban renewal area after its development or redevelopment with assistance extended under this title shall, insofar as practicable, be of the same average size (in terms of square feet of commercially utilized floor space) and type as those which existed in such area before the commencement of the project; and the owners and proprietors of the commercial establishments which existed in such area before the commencement of the project shall, under regulations prescribed by the Administrator, be afforded a priority of opportunity to purchase or rent the commercial establishments existing in such area after its development or redevelopment."

Mr. POWELL. Mr. Chairman, these are antidiscrimination amendments, but they are not based upon race, creed, or color. They are based upon discrimination against the small businessman. Those of us who come from the large cities find that when slum clearance takes place, large numbers of small businesses are dislocated, and under existing law, when we do build public housing, there is no provision to put stores in public housing. Area after area in my city covered by new housing projects has no local stores. The chain stores move in. How do they get in? They get in by the builder applying to a private lending corporation, such as a bank or insurance company, and they cannot get these loans from the banks or insurance companies unless they submit to the officials a list of the prospective tenants. And, these prospective tenants, as is indicated by a tour of any big city, are the large chains. These amendments do not discriminate against the entrance of the large chains, but they do guarantee that the small-business man, who is being discriminated against everywhere, shall have priority in going into the project. I feel that these are very justified amendments. I feel that this is a very good step; it takes a very good step

toward the solution of our small business that the gentleman from Texas [Mr. PATMAN] and my colleague the gentleman from California [Mr. ROOSEVELT] have been working on so assiduously.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

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

Mr. BASS of Tennessee. Does the amendment intend to restrict the sale of land under the urban renewal program to prior owners of commercial business in the area?

Mr. POWELL. No; it does not. It merely allows the public housing projects to now have stores in them. And those men and women who have been dislocated by virtue of slum clearance projects shall have priority in going into these stores.

Mr. BASS of Tennessee. This is in public housing areas, not in urban redevelopment?

Mr. POWELL. That is right.

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

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

Mr. MACHROWICZ. Will the gentleman advise me whether his amendment has been submitted to the committee and considered by the committee?

Mr. POWELL. No. I was asked that by the gentleman from Texas just yesterday. I told him that I did not even think of this until over the weekend and I did not have it prepared until Monday. The idea did not even come to me until Friday, to be frank.

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

Mr. POWELL. I yield.

Mr. PATMAN. I believe there was a misstatement. This is in the urban renewal section, is it not?

Mr. POWELL. Yes; that is right.

Mr. BASS of Tennessee. Then the gentleman's answer to my question should be the opposite of what he said.

Mr. POWELL. That is correct; I stand corrected.

Mr. BASS of Tennessee. In such a case as this it would mean that before an urban renewal site could be resold, priority would go to people formerly located in the area, with the same amount of floorspace as they had before?

Mr. POWELL. Insofar as practical, under rules promulgated by the Commissioner.

Mr. BASS of Tennessee. The gentleman's amendment would be entirely too restrictive for the proper redevelopment of a new area that is growing to serve the community.

Mr. POWELL. It does not limit it, however, to just the original proprietors and storekeepers. It opens it to others, but gives priority to the small businessman. It does not limit it except to small business.

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

Mr. POWELL. I yield.

Mr. SANTANGELO. Mr. Chairman, I want to commend the gentleman on his amendment. Coming from an adjoining district to the north, I have seen in these public housing projects and some of the



urban renewals cases of men who had developed goodwill for their stores, who had invested \$50,000 to \$100,000 in some of their stores, who were suddenly dislocated and thrown out, without getting any payment whatsoever from the city housing authority or any other condemnation group. All they could get out of it would be something for their fixtures. Then when the building comes back, those people do not have the opportunity to continue in their business. They must relocate elsewhere. They have lost their goodwill.

The gentleman's amendment would give these merchants who have developed in a community the opportunity to come back and continue to receive the benefits of the goodwill which they had before they were dislocated.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendments. In the first place, these are extremely far-reaching amendments. They sound innocent, as though they might not do any harm. But this would mean that the city planners, those in charge, would be completely hamstrung in the development of any particular area. The simple truth of the business is that urban renewal is one area of housing that is extremely complicated. It needs to be studied. I am talking about the legislation that surrounds it. It needs to be studied carefully by the Housing Committee and we have decided that once this session is over we in the committee shall conduct a full study of all the urban renewal housing acts.

For that reason, Mr. Chairman, I sincerely trust that these two amendments, which are very far reaching, will not be adopted at least until we take the time to see what effect they actually would have on an overall city planning urban renewal program.

Mr. Chairman, I hope the amendments will be defeated.

#### SMALL BUSINESS

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

Mr. Chairman, I am very much interested in the amendment offered by the gentleman from New York [Mr. POWELL]. I think he has rendered a great public service in presenting the subject to the House.

I am personally not ready to vote for the amendments because I do not think sufficient committee consideration has been given them. There are so many problems involved. The phrase "insofar as practicable" makes it rather flexible, but I do not know whether it is flexible enough. There are several things in the amendment that I think need more consideration. For that reason I am not ready to vote for it. But I am for something along this line, for the principle.

Every Member of this House has received complaints from small businessmen to the effect that they were unable to get a lease in certain projects. There is usually one reason for that. The people who are building these huge projects are required to get a large amount of money in the market and they get it usually through some bank or financial institution. Many of the financial institutions today have branches, lots of

them, and are in holding companies. They have interlocking directorates. They have so many interests that in nearly all these projects, when it comes to the time of submitting a plan, such as that which the gentleman from New York has suggested, if that plan does not have as lessees the national corporate chains—and they too have interlocking connections with these financial institutions—they demand it, and I do not know of any case where they fail. They have more power and they can do more. They have the advantage of the little man. I think it is a terrific problem. It involves small business all over the Nation.

Something should be done about it. We have these huge banking mergers like J. P. Morgan and Guaranty Trust. That is where each of them has dozens and dozens of interlocking connections with all kinds of different firms including chain stores and food firms and businesses like that. Whenever they can consolidate, they double their power and whenever they merge, they get bigger. So this is a problem that should receive a great deal of careful consideration. I am grateful to the gentleman from New York for bringing it before the committee at this time although I am not ready to vote for it because I feel we should give it more consideration. I certainly think it should be given consideration and I am personally going to see that everything is done within my power in the Committee on Small Business and the Committee on Banking and Currency and any other committee where I have membership and any power, influence, jurisdiction, vote or voice because this is a big problem and it should be settled as quickly as possible.

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

Mr. PATMAN. I yield.

Mr. ROOSEVELT. May I ask the chairman of the subcommittee [Mr. RAINS], if I understood him correctly, to say that it is his assurance to us that his investigation will specifically take up the problem presented by the gentleman from New York [Mr. POWELL]?

Mr. RAINS. The answer to that is yes because the problem is of paramount concern to small business. The problem of goodwill that was mentioned by the gentleman from New York is one that has given the committee a great deal of concern. Yet, it is not a problem that is easy to solve. You just cannot set a certain limitation on goodwill and make it fit in this place or that. So the Housing Subcommittee is not ready to present any definite answers because we do not have sufficient evidence and experience upon which to base the answers. But, I say to the gentleman from California and to the gentleman from New York, specifically, that we will look into it.

Mr. ROOSEVELT. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think the question at issue here is not so much at the moment whether the Housing Subcommittee has given any thought to the

problem. We have a principle at stake here. We are aware that we are told we should debate this housing bill in general and we are told, please, do not bring up this situation and let us not discuss it because it is much too complex for the ordinary man, but that the Housing Subcommittee with its genius will solve the problem. I am told that this happens year after year, and yet the genius of the members of the Housing Subcommittee still has not solved the housing problem of the country. The gentleman from New York [Mr. POWELL] has offered an excellent amendment because it is based upon a sound principle. One of the things we have a knowledge of and which we have recognized and are well aware of, whether definitely or not, is in the urban renewal program is that in too many cases the poor unfortunate resident who is pointed at as being the person to be helped by urban renewal developments finds himself displaced and living in another slum and new people are brought in to live in the brandnew urban renewal development so that we are not helping the people who are supposedly to be helped by any program of this type. If we are to follow principles, then as good a point as any to start to follow principle is now. The basic principle being that the man who is to be evicted and forced to move from an area and who is being forced out, whether he be an individual resident or small businessman, should have a priority and protection so far as moving back into the area either as a resident or as a businessman. If we want to keep with principle, then this is the very point that we should start as a foundation.

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

Mr. DERWINSKI. I yield.

Mr. RAINS. The gentleman talks as though he believes the thing to do is to clear out the slums and then move the same slum situation back in the area.

Mr. DERWINSKI. No; I am referring to the people who are forced to move out and should be given priority to move back into the area.

Mr. RAINS. I do not profess to be a genius on the committee except I must say that when you are trying to investigate and look into a problem as big as this problem is, somebody ought to hear some testimony from someone as to what the situation actually is. Has the gentleman himself had any practical experience in the matter?

Mr. DERWINSKI. The point here is not whether we are going to cut off testimony. The point is that we should agree on a principle. We are concerned with the principle involved. I am not arguing over whether you may have to give 1 year or 10 years of serious study to this problem, but I am concerned with the acceptance of the principle involved—the principle being that if a man is a resident in a slum area or if a man is a small businessman in a slum area and if we feel we have to improve his standard of living, we should see to it that when we have finished this urban renewal project, this individual or this small business who was the original subject of our

concern has a better standard of living as a result of our action in spending the taxpayers' dollars.

Mr. RAINS. Of course, that is the end and aim that we have in mind, as the gentleman knows, so far as urban renewal is concerned, but if you are going to hamstring those who have to work out the program by setting aside specific spaces, as I see it, or to rebuild specific types of buildings in size and so forth, you would be inviting back the same kind of situation that you had to begin with. So the end and the aim being an overall urban renewal plan, do you not think that we should first of all consider whether it would fit into the plan to remove the blight conditions and so forth?

Mr. DERWINSKI. May I point out to the gentleman from Alabama that we are speaking or going in two different directions. All I would like to have noted for the RECORD is that the principle involved is the important thing. If the urban renewal program and if the principle involved in it is sound, I do not see how we can refuse to accept this principle if we are to help someone who is supposed to be the object of our original concern, and this amendment that we are now speaking about is as sound in principle as we could have, and I think it should be supported.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, in reference to this question of returning the people who are displaced in urban renewal projects, it occurred to me that the committee bill has a section reserved for public housing units which provides for replacing the same people in the area they were in before.

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

Mr. McDONOUGH. I yield.

Mr. POWELL. The gentleman is exactly correct. We do allow the tenants priority to return to public housing, and that is one of the things that inspired me to write this amendment that we ought to give the same priority to the men and women who had commercial establishments.

Mr. McDONOUGH. I suggest the thought to the Chairman of the committee that he at least indicate whether if we bring back the same people who were there before, we not create the same slums that were there previously? The question then is whether slums are people or whether it is the condition of the buildings in the area that creates the slums. You cannot say it is the people there; it is the condition of the buildings that creates the slums.

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

Mr. McDONOUGH. I yield.

Mr. RAINS. The bill has a section in it, does it not, providing they can go back into urban housing, public housing, that certain urban renewal land can be used for public housing space? I point out to the gentleman that the amount of public housing is small. The bill provides for only 35 units a year for 4 years in this country, and I am sure the gentleman thinks that is much too much.

Where you take 166,000 people as families, as we are doing, you cannot put them all back in public housing.

Mr. McDONOUGH. I do not agree.

Mr. RAINS. I think the gentleman will agree with me that a subject as complex as this certainly needs more study.

Mr. McDONOUGH. We are displacing certain people in the development of these areas where they have built up their homes and built up their businesses. We are taking away from them the goodwill of the business that they operate when we take out of the area the people who patronize them and put in new people to occupy the same area.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. BASS of Tennessee. But is it not a fact that at the same time you displace a commercial enterprise you are taking away the customers who made up his goodwill? So I do not see where the element of goodwill enters into it in such circumstances.

Mr. McDONOUGH. You would not be taking his customers away if you gave them an opportunity to return.

Mr. BASS of Tennessee. But we do not give them the opportunity to return.

Mr. McDONOUGH. This amendment gives them this priority.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, without belaboring the Committee and taking too much time, I would like to rise in opposition to the amendment.

Before coming to the Congress I served as commissioner of public housing, served as president of the public housing officials in the State of Tennessee, and I happen to have some basic knowledge of the intricate problems involved in reselling a redevelopment area under this program. I know the financial difficulties involved as I foresee the deterioration of the property after it has been reclaimed and the reduction in the price that will be received on the reclaimed property under the urban renewal program.

As to the matter of replacing commercial business in an area that has been cleared out by the Government, while that has been the subject of study under the direction of the chairman of the subcommittee, we should spend more time in the study and development of this sort of problem before this committee decides on it.

I recommend that the amendment be voted down.

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

Mr. Chairman, I support this amendment and I would like to point out to the body that there is no study required because the people who administer the public housing program are putting in stores, but the stores they are putting into the projects are the big chainstores. What this amendment will accomplish will be a direction to the administrators that they are to take back the small business people who have been dislocated and who have been forced to move. They have lost their goodwill, they have lost their earning power when they are

forced to go elsewhere. Sometimes they are unable to establish a new business. This amendment will be a direction to the Administrator that instead of preferring the chainstores, the large chainstores which have the money, they shall give priority to those storeowners who have suffered economic losses and their business by reason of being displaced.

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

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

Mr. ROOSEVELT. I call the attention of the gentleman and the Committee to the report made in 1958 by the House Small Business Committee under the chairmanship of the gentleman from Texas which spells out the interlocking directorates of these big stores and those financial institutions which organize these projects. The same people who are doing the financing control the giving of the franchises. I heartily concur in what the gentleman said and I hope he will read that committee report.

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

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

Mr. POWELL. I am happy that this amendment has caused this discussion. I would like to thank the gentlemen from Illinois, California, and New York for their support.

But with the promise of the chairman of the Small Business Committee, our colleague from Texas, and I am sure with the promise of our subcommittee chairman, the gentleman from Alabama [Mr. RAINS], this question will be explored. I would like to ask unanimous consent to withdraw these amendments now and to insert them later, either this week or next, in the form of a bill.

Mr. SANTANGELO. Recognizing the sincerity of the chairman of the Housing Committee and also the gentleman from Texas, I have no objection to the withdrawal.

Mr. POWELL. Mr. Chairman, I ask unanimous consent to withdraw the amendments.

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

There was no objection.

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

Mr. Chairman, in connection with the matter of stores, I would recommend very highly to the committee that inasmuch as I do not believe there is any provision in the public housing law for stores some provision be made to cover that situation because today when public housing is built it has been found necessary for those people who reside within the public housing areas very often to walk six or eight blocks in order to buy their necessities of life. So I would recommend that they consider very closely the question of making provision in the public housing law for the location of commercial establishments within public housing.

The Clerk read as follows:

TITLE II—HOUSING FOR ELDERLY PERSONS  
SEC. 201. (a) The purpose of this title is to assist private nonprofit corporations to pro-

vide housing and related facilities for elderly families and elderly persons.

(b) In order to carry out the purpose of this title, the Administrator may make loans to any corporation (as defined in section 204(2)) for the provision of rental housing and related facilities for elderly families and elderly persons, except that (1) no such loan shall be made unless the corporation shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loans shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and that it will not be of elaborate or extravagant design or materials.

(c) A loan to a corporation under this title may be in an amount not exceeding 98 per centum of the total development cost (as defined in section 204(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than 3½ per centum per annum.

(d) There is authorized to be appropriated not to exceed \$100,000,000, which shall constitute a revolving fund to be used by the Administrator in carrying out this title. The amount outstanding from such fund at any one time for related facilities (as defined in section 204(8)) shall not exceed \$10,000,000.

Sec. 202. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c) (2)) of the Housing Act of 1950.

Sec. 203. (a) Housing constructed with a loan made under this title shall not be used for transient or hotel purposes while such loan is outstanding.

(b) As used in subsection (a), the term "transient or hotel purposes" shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of subsection (a) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this section the Administrator shall perform the functions vested in the Commissioner by such section 513.

(c) The Administrator shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this title shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931, as amended (the Davis-Bacon Act); but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the corporation undertaking the construction.

Sec. 204. As used in this title—

(1) The term "housing" means (A) new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons.

(2) The term "corporation" means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term "development cost" means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) The term "elderly families" means families the head of which (or his spouse) is sixty-two years of age or over; and the term "elderly persons" means persons who are sixty-two years of age or over. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this title.

(5) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(6) The term "Administrator" means the Housing and Home Finance Administrator.

(7) The term "construction" means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

(8) The term "related facilities" means (A) new structure suitable for use as cafeterias or dining halls, community rooms or building, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

Mr. RAINS (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of title II be dispensed with and that it be open for amendment at any point.

Mr. HALLECK. Is that title II?

Mr. RAINS. Title II only.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

Sec. 301. Section 302(b) of the National Housing Act is amended by striking out "exceeds or exceeded \$15,000 for each family residence or dwelling unit covered by the mortgage" and inserting in lieu thereof "exceeds or exceeded, for each family residence or dwelling unit covered by the mortgage, \$18,000 in the case of a mortgage to be purchased under section 304 or \$17,500 in the case of a mortgage to be purchased under section 305".

Mr. THOMAS. Mr. Chairman, I offer an amendment. I have several amendments to titles III, IV, V, and VI, and I ask unanimous consent that they be considered en bloc. I will send the amendments to the desk.

All they do is to change the method of financing, change it from what is commonly called the back door method to direct appropriations. When it comes to the dollar amounts of the authorizations, the authorization is not varied up or down 1 cent, it is just exactly like the committee wrote it. The only change that these amendments make in the four titles is in the method. The method is changed from Treasury authorization to direct appropriations.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. THOMAS]?

Mr. MASON. Mr. Chairman, reserving the right to object, does that mean, then, that the whole bill is open for amendment?

The CHAIRMAN. No. It only refers to these four amendments which will be considered together. The title that is being amended now is title III.

Mr. MASON. Mr. Chairman, these refer to titles III, IV, and V?

Mr. THOMAS. That is correct. It refers only to financing, I may say to the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Texas [Mr. THOMAS].

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. THOMAS: On page 123, strike out "by" in line 19 and all that follows down through the end of line 22, and insert in lieu thereof the following: "by such amounts, not exceeding \$75 million, as may be specified from time to time in appropriation Acts."

On page 123, strike out "by" in line 25 and all that follows down through the end of line 2 on page 124, and insert in lieu thereof the following: "by such amounts, not exceeding \$7,500,000, as may be specified from time to time in appropriation Acts."

On page 124, strike out lines 3 through 13 and insert in lieu thereof the following:

"(3) by striking out 'a consumer cooperative, and (2)' and inserting in lieu thereof the following: 'a consumer cooperative, which amount shall be increased by such amounts, not exceeding \$37,500,000, as may be specified from time to time in appropriation Acts, (2) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, such amounts not exceeding \$37,500,000 as may be specified from time to time in appropriation Acts shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative, and (3); and'."

On page 124, strike out lines 19 through 21 and insert in lieu thereof the following: "such amounts, not exceeding \$7,500,000, as may be specified from time to time in appropriation Acts."

On page 131, strike out lines 12 through 21 and insert in lieu thereof the following:

"(1) by inserting after the first sentence of subsection (b) the following new sentence: 'In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of \$1,000,000,000 for the period ending June 30, 1960, and the sum of \$500,000,000 for the fiscal year 1961; and

any such sums so appropriated shall remain available until expended."

On page 147, strike out lines 21 through 25 and insert in lieu thereof the following: "Sec. 501. Section 401(d) of the Housing Act of 1950 is amended—

"(1) by inserting after '\$925,000,000' the following: ', which limit shall be increased by such amounts, not exceeding \$40,000,000, as may be specified from time to time in appropriation Acts';

"(2) by inserting after '\$100,000,000' the following: ', which limit shall be increased by such amounts, not exceeding \$40,000,000, as may be specified from time to time in appropriation Acts'; and

"(3) by inserting after '\$25,000,000' the following: ', which limit shall be increased by such amounts, not exceeding \$40,000,000, as may be specified from time to time in appropriation Acts'."

On page 152, after the period in line 14 insert the following new sentence: "Notwithstanding the authorization contained in the preceding sentence or in any other provision of this Act, no contract for annual contributions which binds the Government to pay out money for subsidized housing units shall be entered into after the date of the enactment of the Housing Act of 1959 unless at least the full amount of the contributions required for the first year of occupancy under such contract shall theretofore have been provided in appropriation Acts enacted after the date of the enactment of the Housing Act of 1959."

Mr. THOMAS. Mr. Chairman, none of these amendments vary the bill upward or downward. It does not change the present bill by one penny. I want to make that clear. Incidentally, I told our able and genial chairman, the gentleman from Alabama [Mr. RAINS], this morning that I would offer these amendments. As I stated a while ago, these amendments deal with four subjects: one, FNMA, that is, the Federal National Mortgage Association, to the tune of \$75 million. The next one is \$1.5 billion for urban renewal. The next one is \$400 million for college housing, and the next one, in round figures again, is the tidy little sum of \$2 billion for public housing.

So, my colleagues, you are considering here en bloc purely the method of financing these four programs to the tune of \$4 billion. As the committee bill now stands, you, and you, and you, every Member of this Congress, has given away the rights of your people. You have absolutely given away the rights of your people to control the purse strings.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make a point of order against the gentleman's talk.

The CHAIRMAN. The gentleman will state the point of order.

Mr. HOFFMAN of Michigan. Well, he says, "You; every one of us." Now, he cannot say that of me.

Mr. THOMAS. The gentleman is right. I hope he is going to vote with us. Well, you do not have to take that too literally.

Mr. HOFFMAN of Michigan. I do not object, really.

Mr. THOMAS. I do not want to put anybody on the spot, but I mean the bill has given away the rights of the Members of Congress to control the purse strings to the tune of \$4 billion.

Now, who is going to spend this money? Not a single person who has ever been voted upon by the people will

spend this money. Do not say that the President is going to spend it, because the President has too much to think about. It is going to be someone appointed in the various bureaus.

I suggest to you that now is a good time to recoup the authority that the people back home who elected you think that we have, and who think that we are going to represent them.

Virtually what this bill does is this. It gives away control of the purse strings to the tune of \$4 billion.

I do hope that these amendments are voted up. They are sound, they are sensible. And then on an annual basis this Congress, the membership of this body, as well as the body at the other end of the Capitol, can pass upon these funds.

Mr. Chairman, these are sensible amendments and it is high time that they be voted up.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I am delighted to yield to my distinguished friend from Michigan.

Mr. HOFFMAN of Michigan. What the gentleman says is probably true.

Mr. THOMAS. Not "probably"; it is true, I will say to my distinguished friend. But please go ahead.

Mr. HOFFMAN of Michigan. The Congress has; but who has been in control of the Congress? The gentleman's party. The gentleman cannot charge that to the Republicans, he knows that.

Mr. THOMAS. Charge it to me, if the gentleman wishes. I am doing my best to rectify this situation and I hope the gentleman will help me.

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

Mr. THOMAS. I yield to the gentleman.

Mr. McDONOUGH. I understand the gentleman's amendment as it particularly applies to urban renewal, and in the bill there is a provision for \$500 million for each year for the next 3 years.

Mr. THOMAS. That is the \$1.5 billion that I referred to.

Mr. McDONOUGH. That is right. If the bureau downtown makes commitments to cities for urban renewal to the extent of the total amount for the next 14 months, the hands of the Appropriations Committee are tied, are they not?

Mr. THOMAS. The gentleman is right. In other words, the present authorization is not touched. We do not attempt to do that. That would not be right.

Mr. Chairman, I ask for a vote.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

You know, Mr. Chairman, when I heard my distinguished friend—and I love AL THOMAS—say "I ask for a vote," and when he was referring to this as just a little, simple amendment, it reminded me of what happened in Alabama one time. I was out on a fishing bank fishing, and saw a little, teeny boy, and he had a fish about that long. That fish was just wiggling and wiggling and

wiggling and the little boy said, "Hold still, little fish, I ain't going to do nothing to you except gut you."

What my good friend from Texas offers here would not do anything to housing, but just a minute, once you set the pattern, you have done something. It would not do anything to the housing programs except defeat them, that is all. Some people here may think that would be a good thing.

But I cannot help thinking—and I am looking squarely at my farm friends from the Deep South—and I am one of them, too—just how they would feel about the Commodity Credit Corporation; or just exactly how they would feel about REA; how would they feel about many, many programs—and that includes tobacco in North Carolina under the Commodity Credit Corporation—just how would they feel if we were to cut off the help that has been coming these many years through a public-debt transaction?

Mr. Chairman, I hope the gentleman from Texas does not leave. A friend of mine just handed me a speech that he made on May 18. You know, somebody once said that the best thing to do is never to write a book, and I found out that the best thing to do is never to make a speech, especially if they record it. Now this is what happened on May 18 when we had the space bill up. The gentleman from California [Mr. SISK] had the floor and he yielded to Mr. THOMAS. He said:

I will ask my distinguished friend from California—

You must remember that he had offered a similar type legislation, not quite as hamstringing—

if it is not a fact that the only purpose this language can have—it is brand new language—we do not have it in any other bill outside of this space bill and we have been spending \$40 billion a year without it—is to hamstring the administrator?

And the distinguished gentleman from Texas continued:

It is bound to slow him up, and if time is of the essence that is the way to slow him up 3 to 4 months out of each year.

You know if you are going to slow up missiles, and you will no matter what you tack this on, you are going to slow up the program and if it is not good for space, why we have to have houses before we can fly around the moon. We have to have houses before we can have space travel. So we come up here with an amendment aimed at housing and housing only.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. TEAGUE of Texas. I am sure that if this amendment is adopted, the next step will be a direct loan housing program for the veterans, and I certainly hope this amendment is defeated.

Mr. RAINS. The gentleman from Texas who is the distinguished chairman of the Committee on Veterans' Affairs knows that that is correct, and that it would be in the orderly process of things to fasten it on to every single bill. What I wish we could do would be to

once and for all to bring House Joint Resolution 161 out of the Committee on Rules and lay it on the floor of the House and let us get this bugbear over once and for all instead of just slipping it in and letting it go by and I am looking right in the eye of the distinguished chairman of the Committee on Rules whom I love, but he did not hear me complain about that \$4½ billion public debt transaction and how fast it went through the Committee on Rules. So I say to you that we are here at the meat in the coconut and we are picking out housing including the old folks, the poor folks, the college boys and girls and everybody in America, the slum people and we fasten it on that—and it is a bad idea, I will say to my distinguished friend.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

Mr. MASON. Mr. Chairman, I must object.

Mr. GARY. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, what this amendment will do is to stop the backdoor approach to the Treasury of the United States. We are today giving various Government agencies authority to borrow billions of dollars through the Treasury of the United States and to spend those billions of dollars without adequate control by the Congress of the United States. I, for one, Mr. Chairman, certainly believe in human values, but I believe the human values in the United States are absolutely dependent upon a sound fiscal system. If you do not believe it, think back to 1929 when our economy collapsed and money values in this country took a tumble. We did not talk about houses then. Human beings were standing in breadlines holding out their hands for bread. Men and women were standing on street corners of our cities selling apples to try to get money to buy the necessities of life. I am not a prophet of doom because I do not believe there is any necessity for a situation of that kind ever to occur in this country again. But I do want to tell you this, that there are clouds on the horizon today that should cause us to stop, look, and listen. The Treasury is having difficulty today financing the bonds authorized by these backdoor bills. It is a matter of common knowledge that the interest rates have increased tremendously which is increasing the expenditures of our Government. Furthermore, even with the increased interest rates, recently the Treasury had trouble in financing one of its bond issues. If the people of the United States stop buying these bonds, then where are your human values going? They are going down the drain just as they did in 1929.

I remember very distinctly before the economic collapse of 1929, a very famous Virginian, the Honorable Carter Glass, on several occasions issued warnings. They laughed at him. His own people were talking about defeating him

for the Senate because he had the courage to stand up and tell them what might happen. But it did happen just as he had predicted.

I certainly am not making any predictions today, but I am saying to you that we should take warning from the difficulties which the Treasury Department has experienced in its recent efforts to finance the Federal debt.

We as Members of the Congress should not surrender our right to control the expenditures for the various purposes for which we provide money. It has been said that this amendment will gut the program. I say emphatically it will not gut the program. We are proposing that this program be handled exactly like the \$40 billion defense program. It has not gutted that. We are proposing that it be handled exactly as the \$4 billion foreign aid program. It has not gutted that, why should it gut this housing program?

A proposal was made the other day—I have before me a copy of the CONGRESSIONAL RECORD containing proposed amendments to be offered in the other body to the foreign aid bill. And what do they propose? They propose that we give the Development Loan Fund the right to borrow from the United States Treasury a billion and a half a year for 5 years to lend to other countries. If we keep that up who knows where this country will end.

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

Mr. Chairman, I appreciate the concern that the chairman of the Subcommittee on Housing expressed a moment ago. His concern is whether this is going to slow down the program on housing. But the new bill, the one that is now under consideration, provides authorization of \$100 million for elderly housing. In other words, if he talks about slowing down the construction of housing in other respects, that has actually provided for the slowing down of the elderly housing feature in this bill. The substitute that we voted down a moment ago had no limitation and did not require authorization for elderly housing. That is a contradiction of his own statement.

Mr. THOMAS. Mr. Chairman, will the gentleman yield briefly?

Mr. McDONOUGH. I yield.

Mr. THOMAS. I am afraid our distinguished friend from Alabama is a little bit confused about the Space Agency. It has not the slightest connection with the subject under consideration. The point involved was that in providing funds for the Space Agency the legislation authorized all the details of how they should spend this money, every quarter, every penny that they spend. This program is being authorized now; it cannot slow it up in the slightest. All you are dealing with is the method of how they get money, whether they come up here to the Congress to get it or get it from the Treasury.

My friend the gentleman from Texas [Mr. TEAGUE] is also confused a little bit. The program of lending to veter-

ans has been going on for years and nobody has ever attempted to cut it, and certainly there is no intention of cutting it.

Mr. McDONOUGH. I think the committee ought to realize that any cut we authorize in the committee bill we have under consideration certainly applies to the elderly housing section. I wanted to bring that point out. I wanted to make the point when the gentleman was on the floor. If he feels that the amendment of the gentleman from Texas is proper he should then proceed to amend the section of his own bill to remove the authorization of \$100 million for elderly housing.

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

Mr. Chairman, it seems to me that if the committee is to have the power of life and death over legislation that would result if this amendment is adopted, because the power of the Appropriations Committee has not been greatly enhanced, at least such a committee should be pretty responsive to the electorate of this country; and I think it is worth pointing out that the Appropriations Committee is one of three on which the committee ratio did not change probably in the past election.

What we are being asked to do here, it seems to me, is to delegate the jurisdiction of the legislative committees that are responsive to a committee which is not quite so responsive because it is one of three on which the ratio was not changed.

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

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

Mr. SISK. I simply want to call the Committee's attention to a rather long series of programs under the Veterans' Administration that would not have been possible and would not have gone into effect probably under the proposal offered by the gentleman from Texas [Mr. THOMAS].

I further wish to reiterate that in his answer to the gentleman from Alabama [Mr. RAINS] regarding the space program, there is an analogy here. I certainly have a very high regard for the gentlemen of the Appropriations Committee because we are all under the gun when we start criticizing this very powerful committee, but involved there was a controversy in which they felt that the legislative Committee on Science and Astronautics should not have the right to determine what the Space Agency might have in the way of funds and that the Appropriations Committee was the only one that should have anything to say about it. Of course, if we carry that to its ultimate conclusion, we might as well go home and turn the situation over to the Appropriations Committee. I say that with all the kindness in the world toward my good friends on the Appropriations Committee.

Here as some of the things that would not have been possible in connection with the veterans' program and in all probability would not have gone into effect under the amendments which the gentleman from Texas has proposed.

Grants for specially equipped automobiles for disabled veterans.

Compensation for service-connected disabilities for veterans of the Spanish American War, World War I, World War II, and the Korean conflict, and peacetime service.

Compensation for non-service-connected disabilities, World War I, World War II, and Korean conflict.

Hospitalization service for certain veterans of any war or peacetime service.

Domiciliary car service for certain veterans of any war or peacetime.

Outpatient medical treatment for veterans of any war or peacetime service. Outpatient dental treatment.

Provide feeding or treatment in the use of prosthetics for veterans of any war or peacetime service.

Free medical examination in connection with applications of other Federal benefits.

Furnishing, repairing, or replacing certain aids for blind veterans entitled to service-connected benefits.

GI bill education and training benefits for veterans of World War II and Korea.

Vocational rehabilitation for disabled veterans.

War orphan education assistance program for children of certain disabled veterans.

GI loan program.

Direct loan program.

Grants of assistance for specially adapted wheel chair homes.

Unemployment compensation benefits furnished veterans of World War II and Korea, administered by Department of Labor.

Mustering out payment of World War II and Korean veterans—administered by the service department.

Guarantee of premiums of commercial life insurance for any person now on active duty.

GI life insurance for veterans.

Dependency and indemnity compensation for service-connected debts on or after January 1957.

Compensation for service-connected debts prior to January 1957.

Compensation for non-service-connected debts of wives and children of veterans.

Reimbursement of burial expenses not to exceed \$150.

Furnishing burial flags to the veteran's survivors.

Six months death gratuity for survivors of veterans who died on active duty administered by service department.

Furnishing the headstone or grave marker—administered by Department of the Army.

Burial of veterans and immediate members of their families in national cemetery—administered by Department of Army and Interior.

Mr. Chairman, in conclusion may I say that if these amendments are adopted, as proposed by my good friend from Texas, it will represent a backward step in the legislative processes of this great body. I firmly believe it will set a precedent which will destroy many of the programs that are so vital and impor-

tant to the American people. I fully agree with the statement made by the gentleman from Alabama [Mr. RAINS] that this has to do with an issue which should be faced as a separate problem.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, perhaps an apology should be offered for bringing up this old, old question of the lack of necessity for private homes if the folks cannot use them. A page just brought down from the Press Gallery a release of the National Small Business Association which reads this way:

"Jimmy Hoffa's threat of a nationwide strike if big unions are placed under anti-trust laws certainly emphasizes the imperative need for just such action by the Congress if the American people and their economy are to be protected."

So said Harry E. Brinkman, Cincinnati lithographer and president of the National Small Business Men's Association, today in proposing exactly what such legislation should accomplish.

"Essentially, Congress should return control of labor unions, including collective bargaining, to the local unions where it belongs," stated Mr. Brinkman.

He based his proposals on a study of union monopoly power and its needed legal curbs as featured in the National Small Business Men's Association's current issue of the "Small Business Bulletin." The study for the association was made by Washington attorney John Kilcullen, who represented the Commerce Department on the Attorney General's Committee To Study the Antitrust Laws.

Warning that today's monopoly control of the Nation's labor supply in the hands of a few professional managers poses a much greater threat to the Nation's economic welfare and national security than did the industrial trusts of 70 years ago, Mr. Brinkman suggests immediate legislation which would:

1. Prevent centralized control of bargaining policies by national or international unions and return these functions to the local union level. This would limit pattern bargaining directed by a few national union managers.

2. Prohibit strikes and other forms of coercive action carried out by two or more unions as part of a prearranged plan to impose concerted wage demands and other contract conditions on industries affecting interstate commerce and trade.

3. Prohibit union-imposed restrictions on the use of products and improved methods of work performance or price-fixing arrived at through agreement—either voluntary or coerced—with individual members or groups of employers.

4. Allow local unions to continue use of their traditional economic weapons in bargaining for wages and other employment conditions so long as their use is not part of a concerted plan or combination.

Under such legislation, Mr. Brinkman emphasized that unions' traditional economic weapons in support of legitimate union objectives would be fully preserved and protected while the big power combinations of unions would be broken up—just as the big corporate trusts of the 1890's were broken up under antitrust provisions in the Sherman Act.

"And," he added, "union members themselves would be liberated by such antitrust legislation from being treated as commodities to be bought and sold in the marketplace as a means of creating strangling eco-

nomie power for such professionals as Jimmy Hoffa of the Teamsters Union."

Probably no single segment of the American community, other than the consumer, is more victimized or hard hit by the present labor monopoly than the Nation's 4.3 million small businessmen who watch wage patterns which they must meet—and over which they have no say—bargained out at the national conference tables, Mr. Brinkman emphasized.

"For this reason, and by an overwhelming 97.3 percent 'yes' vote in a grassroots poll of small businessmen just taken, our association is urging that Congress place unions under the jurisdiction of antitrust laws," Mr. Brinkman concluded.

That brings up again the question of who writes legislation. Is it the unions, is it Jimmy Hoffa? And talking about antitrust legislation applying to labor organizations, such legislation was introduced several years ago, and again this year, by me but no attention was paid to it. Perhaps the best thing we could have is just a little sample of the Jimmy Hoffa dictation. Let him call a nationwide transportation strike, do what he said he will do, cut off all transportation. He is the boss. And Jimmy Hoffa has stated he is going to run the country. What does the steel strike amount to compared to what Jimmy can do—"nothing". And, bless your dear hearts, I cannot determine why the Justice Department does not put him in jail. If they do not get him in jail pretty soon, that is within a year or two he will clean up on Reuther, and that would not make me too unhappy—then we might give our undivided attention to Jimmy. But this transportation strike will hurt everyone. When Jimmy goes into action and cuts off transportation, including with Bridges' aid water transportation, of course, including the ships coming in from other countries, and he cuts off the lights and the water supply including that for drinking—when he cuts that off and refuses to transport food, what will we do about it? Is it not about time to do something definite. This is Hoffa's announcement that he is dictator.

Personally, I hope Hoffa starts in without delay because it will then convince this Congress he has some of the power he says he has. When we cannot get a drink of water, when we cannot turn the lights on, when we cannot do anything we must do, when we cannot get the things we must have or do the things that must be done if we are to live, perhaps we will act. It was not too long ago that we had a transportation tie-up right here in Washington. Hoffa will bring about a situation where we cannot get to the office, the gasoline station cannot get gasoline so we can run our automobiles and we have to walk to Congress, our work, shop, office, or place of employment or business, then back home. Then it will be realized maybe that Jimmie is a menace to each of us as an individual as well as a group.

It is just possible that if we read what Kilcullen has to say about the need—as time and again since 1936 I have tried to tell the House—effective legislation will be written and enforced. But read

on. Here is what was written in the May issue of Small Business Bulletin:

**WITH LOCAL AUTONOMY GONE AND BARGAINING DEMANDS NOW FORMULATED AT THE NATIONAL LEVEL, LABOR MONOPOLY POWER IN THE HANDS OF PROFESSIONAL MANAGERS TODAY WIELDS A UNIFIED FORCE WITH ALMOST UNLIMITED POWER OVER ALL INDUSTRIES—THAT'S WHY UNREGULATED AND UNCURBED LABOR MONOPOLY THREATENS OUR FREE ECONOMY SYSTEM**

The problem of monopoly, which Congress sought to dispose of by enacting the Sherman Act 70 years ago, has reappeared in a form quite as threatening as that in which it appeared during the late stages of the 19th century.

Then it was the monopoly of the large corporations and the industrial trusts. Now it is labor monopoly. The effect is the same—monopoly prices. And the victim is the same—the consumer.

#### LABOR EVEN MORE THREATENING

In many respects labor monopoly is far more threatening than the business combinations of the last century. It is more extensive and more powerful. And, because labor is the most important element in costs, its effect upon consumer prices is greater.

Where industrial monopolies regulated the prices of only a few commodities, labor monopoly has its impact upon the price of all commodities. Where the business monopolies were limited to certain industries or areas, labor monopoly wields a unified nationwide force with almost unlimited power over all industries.

Most important of all, labor monopoly is gradually undermining the value of money, a process which—unless curbed—can eventually destroy not only economic welfare but national security as well.

Unfortunately, the labor monopoly subject, and what can or should be done about it has been clouded by emotional and irrelevant arguments. As a result, clear understanding of the subject has been lacking. Spokesmen for organized labor insist that the term "monopoly" can be used only in relation to business and commercial functions—that it has no valid applicability to unions or any of their activities.

#### LABOR CLAIMS IMMUNITY

By reason of this, they argue, it is unrealistic to consider any union activities or practices within the context of the antitrust laws. Let us proceed to examine whether this is true or not.

Monopoly power may be defined as the ability to set prices and outputs of particular commodities and services at levels which are significantly different from those that would be established by the interaction of the forces of supply and demand in a free market.

#### MONOPOLIST SEEKS SHELTER

In normal circumstances, monopoly power cannot be exercised unless the monopolist is in some way insulated or sheltered from competitive pressures and the checks and balances provided by natural economic forces.

In the case of business firms which manufacture or sell a product, such insulation is difficult to achieve. If they attempt to set or maintain the price of a particular commodity at an artificially high level the consumer will seek, and probably find, a suitable substitute.

Thus would-be monopolists find themselves in control of a product which has no market. To avoid this they must attempt to prevent the entry of rival products or rival businesses into the competitive market. But here they are stymied by the antitrust laws. Any efforts in this direction are prohibited and subject to severe penalties.

Labor unions, on the other hand, are effectively insulated from competitive pressures because those who require a supply of labor cannot find, except in rare instances, a suitable substitute. They have no alternative than to pay the price demanded by the union which supplies or controls the necessary labor.

Further, by virtue of their immunity from the antitrust laws, unions can protect their control over labor supply and labor prices by preventing the introduction of new and cheaper methods or products whose prices are forced up by increased union labor costs.

#### TEAMSTERS THREATEN TROUBLE

A case in point is the action taken by the Teamsters Union to prevent piggy-back transportation of truck trailers by rail. This method was developed in cooperation between truck lines and railroads to provide lower freight costs where long-haul shipments are involved.

The Teamsters viewed this cheaper method of transportation as a threat to their control of labor supply in the motor freight industry. Accordingly they notified trucking firms that any firm making use of piggy-back arrangements would face labor trouble with the Teamsters.

When a few trucking firms ignored this threat, the union directed its members to refrain from loading the trailers onto the railroad flat cars and engaged in picketing to prevent others from loading the trailers. Efforts to obtain legal relief from this high-handed interference with interstate commerce were rendered futile when the Supreme Court held that the Teamsters' boycott could not be enjoined.

If any business firm or firms in the transportation industry were to attempt to impose any such restraints upon the piggy-back arrangements they would unquestionably be prosecuted under the antitrust laws.

#### OTHER EXAMPLES CITED

Many examples of similar unions practices can be found in the building construction industry. There, unions have been successful in pushing wages of the bricklayers, plumbers, plasterers and other crafts to a higher point than almost any other group of industrial workers.

To protect these high wage levels the unions have used various devices to keep competitive products and methods of construction off the market. The Carpenters Union has, for example, outlawed the use of various types of prefabricated door and window sash, wall sections and modular units. These would greatly increase efficiency and cut costs in building construction.

The Plumbers Union has barred the use of plastic pipe, a new and improved product, which would more than cut in half the amount of plumbing labor involved in home construction and reduce costs of construction appreciably.

In some areas the unions closely regulate the entry of firms into a certain line of business, decide what projects a particular firm may be permitted to bid on, and set a minimum amount for any given bid.

In the printing industry the unions have prevented the use of automatic equipment which would permit cheaper and more efficient printing of books, magazines and newspapers.

All of these restrictions have, of course, the objective of preventing competition with the unions' established control over the available labor supply. Needless to say the cost to the consumer is enormous.

Organized labor's apologists willingly admit that unions utilize these various devices to prevent or neutralize competitive factors. But they argue that: (1) Workers are justified in taking these collective measures to obtain the highest possible wages and preserve their opportunities for employment;

and (2) labor is not a commodity. Consequently the control of labor supply is not to be equated with the control of the supply or price of a commercial product or service.

The first part of this argument begs the question as to whether any segment of society is justified in taking self-help measures at the expense of all other segments. The producers of a commodity could, by the same token, argue that they have a right to make an adequate profit from their efforts. And, where necessary, they should be permitted to protect their product from price-cutting competition.

In a practical sense the businessman's argument is just as logical and morally justified as that of the union. But in each case, the result is the same—curtailment of competition and higher prices to the public.

#### IS LABOR A COMMODITY?

The argument that "the labor of a human being is not a commodity or article of commerce" originally found expression in section 6 of the Clayton Act amendments to the Sherman Act adopted by Congress in 1914. The implication was that any attempt to apply the antitrust laws to unions would amount to putting union members in the same category as so many sacks of flour or pairs of shoes or loaves of bread. To even suggest such a notion, the reasoning goes, demonstrates a disregard of human values.

Actually, this argument is more emotional than real. Admittedly, human labor should not be regarded as a commodity or article of commerce. But there is no rational relationship between this premise and the proposition that unions, as organizations, should or should not be subject to the antitrust laws. It is ridiculous to suggest that putting antitrust restraints upon the union would place its members in the category of commodities to be bought and sold in the marketplace.

In actual fact, it would be more accurate to say that just the opposite result would occur—that many of the present practices whereby unions exploit the workers and sell their services to those who can be induced or forced to buy them would be outlawed.

It is a right of workers, individually and collectively, to proffer or withhold their labor as they see fit. But in the vast majority of situations where union economic power is employed to bring about restraints of trade or to force unrealistic or uneconomic costs on production of commodities, the choice of the individual worker to proffer or withhold his labor is not involved. In most such situations the individual union members have little, if any, voice in determining the price to be charged for their labor, or in the determination as to whether their employer is to be permitted or restrained from handling a particular type of product or doing business with another employer.

#### UNIONS SELL LABOR

These decisions are, for the most part, the decisions of those who manage the union affairs. Consequently, these decisions and the actions which flow from them must be treated as actions of the union as an entity apart from the human beings whose labor is being proffered or withheld.

In this context it becomes apparent that the labor of human beings has become a commodity or article of commerce because the union itself is engaged in the business of trading and selling this commodity. And when the union engages in monopoly practices and restraints of trade, it is not necessarily acting for, or in the interests of, those whose labor is being bought and sold.

The idea of a labor union as an association spontaneously formed by individual employees to equalize their bargaining power and protect themselves from exploitation by a powerful employer is as obsolete as the horsecar.

## LOCAL AUTONOMY LOST

This concept was true in years past when unions were local in character. That is, they were composed of workers in a particular area, or plant, or trade who had common interests and objectives.

In that setting the workers had a direct and immediate interest in their union, and the union had many of the aspects of a genuine fraternal self-help organization. The local union formulated its own collective bargaining demands, carried on the bargaining and, when agreement could not be reached, made the decision on whether or not to engage in a strike.

Although the local union was affiliated with a national or international union, this affiliation was a loose one. On policy matters the local union was autonomous and independent.

During the prodigious union growth of the past 25 or 30 years, local union autonomy has long since been thrown overboard. The center of gravity shifted to the headquarters of the national or international union.

There, the major decisions are made and carried out by a group of professional managers. They have taken over the functions of formulating bargaining demands—even conducting negotiations for the local unions.

In many industries the national union negotiates a pattern contract with a major company. The terms of this contract then become the obligatory terms for all local unions and employers throughout the industry. Decisions to strike are likewise made by the national managers with local members having no choice but to comply.

This transfer of the decisionmaking functions from the local members to the national officers has caused, quite naturally, a marked drop in interest of rank-and-file members in union affairs.

For the most part the union member no longer feels a close identification with the union. Studies of union loyalty attitudes have shown a high percentage of members having little, if any, interest in the union other than its periodic efforts to get higher wages, and a generally prevalent feeling of skepticism and lack of trust toward the union officers and their motives. This lack of rank-and-file interest is demonstrated most strikingly by low attendance at union meetings.

## COMPULSORY MEMBERSHIP VITAL

In the face of this sharp decline in interest among rank-and-file members, gradual disintegration of many unions would have been inevitable if the union professionals had not had the foresight to demand and obtain compulsory membership provisions in their collective bargaining contracts with industry.

Under these so-called union security clauses the workers are obligated to become, and remain, dues-paying union members as a condition of retaining their jobs. Union managers argue, and have been able to convince the public, that such clauses are necessary to eliminate "free riding" by workers who share the benefits of union collective bargaining activities without paying the cost. But their actual purpose has been to prevent large-scale defections by workers who no longer have any sympathy for, or interest in, the union. This also explains why the professional unionists have thrown almost their total power and resources into the fight against the right-to-work laws.

In the process of change from local union autonomy to the centralized power of the national union, other changes have taken place in regard to union objectives.

The "bread and butter" union objectives of Samuel Gompers have quite clearly been displaced by a broad program of changes in the social and economic system.

The new union managers, almost to a man, maintain no strong sympathy for the competitive enterprise system. They strongly

prefer a planned economy. Abundant evidence of this is available from the legislative proposals supported by the AFL-CIO. These include demands for heavier taxes on sources of investment capital, heavy Government spending in the fields of public power and public housing, Federal aid to education, rigid Federal farm subsidies and controls, Federal regulation of natural gas prices and many other programs which would expand the areas of governmental regulation and planning. The ultimate goal is complete Government control over industrial programs, production and prices.

The accomplishment of that ultimate goal has been slowed down to some extent because the American people still are too strongly committed to the competitive enterprise system. The most effective means of overcoming this public resistance and to hasten progress toward the planned economy is to break down the competitive enterprise system and destroy public confidence in it. The most effective tools for accomplishing this are the anticompetitive practices and uneconomic wage costs imposed upon industry by labor unions.

## SOLUTION OFFERED

It is futile and unreasonable to expect that labor unions will ever voluntarily, in the public interest, forego their demands for higher and higher wages. Nor when these demands are thwarted by competing forces, will they forego the temptation to strike down the competition. Only when legal restraints are imposed and enforced by the Government will there be any adequate protection of the public interest.

Effective legislation in this field would have to do three things:

1. Prevent centralized control of collective bargaining policies by national or international unions, and return these functions to the local union level.

2. Prohibit strikes and other forms of coercive action carried out as part of a prearranged plan or combination between two or more unions to impose concerted wage demands and other contract conditions upon industries affecting interstate commerce and trade.

3. Prohibit union imposed restrictions upon the use of products and improved methods of work performance, limitations on production, price-fixing, and similar arrangements arrived at through agreement—either voluntary or coerced—with individual employers or group of employers.

Simultaneously, it should be made clear that where an individual union engages in any action in the form of strikes, picketing, or boycotts as a means of obtaining or enforcing a demand for wages or other conditions of employment—and such action is not a part of any concerted plan, combination, or arrangement with any other union—it would not come within the scope of any antitrust or antimonopoly restrictions even where it may result in an interruption of interstate trade or commerce.

Under such legislation the ability of local unions to use their traditional economic weapons in support of legitimate union objectives would be fully preserved and protected. But the big power combinations of unions would be broken up, just as the big corporation trusts of the 1890's were broken up by the Sherman Act.

It should be apparent to those who have a grasp of the economic force now building up within our country and throughout the world, that enactment of such legislation is our only hope of staving off ruinous inflation and the drabness of the welfare state economy that inevitably lies in store for the next generation.

Will somebody, a colleague, tell me why it is that the Congress will not cut off extortion and the apparently

unlimited power that some of these union officials have and use? Somebody just write me a nice note. Do not sign it. Just send it to the office and give me the reason why we will not protect the individual—no—not even the union employee?

Tell me, please, and I will repeat it from the floor.

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

Mr. Chairman, the method of obtaining funds for carrying out the provisions of this legislation has been for a long time provided by public debt transaction. The Home Owners Loan Act in 1933 was financed in that manner. The Commodity Credit Corporation is financed that way. The Reconstruction Finance Corporation was financed that way. The REA has gotten its funds in that manner. There are a host of other agencies of the Government that have obtained their funds by public debt transaction. It has been criticized that recently you voted for a bill that provided by public debt transaction for more than \$4 billion of potential liability, most of which probably will never be called for, for the performance of the functions of the International Bank for Reconstruction and Development and the International Monetary Fund. We made a tentative agreement through our representatives with 68 other nations that we would increase our holdings in those organizations. It was necessary to assure these nations that we could carry out our agreements and that the money would be forthcoming if these agreements were ratified by the Congress.

It would not be advisable under the circumstances now, without further hearings, to prevent the continuance of this method of obtaining funds. It seems to me it is changing the rules in the middle of the game. We followed the precedent for 30 years before this provision was put in the bill. If you do not want this method continued in the future, have a hearing on it, and pass general legislation. Let the people and the Congress, and the world know what our policies are. It certainly is unjust and inadvisable to pick out one bill that has followed the precedent of years, by which method the money has been obtained for this legislation, and say you cannot obtain these funds now or in the future by this method. The Committee on Appropriations is not bound to make appropriations that are authorized by law. They frequently use their own judgment as to what shall be necessary for the program. If you want to put your whole confidence and faith and hope and your power in the hands of two committees, you can do it. I think you ought to be free to legislate as you please. I do not think you ought to be circumscribed in your duties.

I hope you will vote this amendment down.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.



The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I am one Member of this body who has supported all housing legislation since I have been a Member of this body. I am going to support this bill. I am going to support this bill whether the amendment offered by my good friend from Texas is adopted or not. I am going to support the amendment of my good friend from Texas. And I am going to support the amendment not because I am a member of the Committee on Appropriations but because I think it is necessary in the interest of the Congress of the United States to maintain control of the purse strings.

Time after time in my service on the Committee on Appropriations I have had Members come to me and ask me to intercede with departments of the executive branch of this Government. Time after time the work that we have done did not show on the record, because we have been able to impress upon the executive departments of the Government that they needed to make some accounting of some of the things that they did. There were numerous injustices done because of a lack of accounting.

It is a fine thing, for example, that the State Department comes before the committee of which my friend, the gentleman from New York [Mr. ROONEY], is chairman, to justify their items in their appropriation bill. It is a fine thing that the Secretary of Agriculture comes before my committee to justify some of the requests which he has submitted in the bill; not from the standpoint of what it means to the Committee on Appropriations. We do not get any glory out of it. It is not in the record. It never shows in the record. But it maintains a responsibility and a respect, if you will, for the Congress of the United States.

We talk about this back-door approach and all of those things that go with it. How can you maintain respectable fiscal accounting in this country with a back-door approach? It is beyond my comprehension.

I repeat, Mr. Chairman, I am going to support this bill whether the amendment of the gentleman from Texas is approved or not. I think the amendment offered by the gentleman from Texas will improve the bill and bring greater respect for the housing programs in the country. I think it is in the long-time benefit of the housing program, and I am going to support it on that basis. I think that we in the Congress of the United States have a responsibility in dealing with the executive department to maintain the fiscal responsibility of this Government and certainly the respect of some of the people who spend our money.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I take this time to ask a question of the chairman of my subcommittee, the gentleman from Alabama [Mr. RAINS].

On page 117 of the bill there is a new section, in which there is authorized to

be appropriated \$100 million in a new housing for the elderly program. My question is this—I ask this, after having heard vehement denunciations of the appropriations procedure, because it would destroy college housing, it would destroy urban renewal, and then later remarks that it would slow up the programs:

Why was \$100 million appropriation required in this instance rather than the same procedures for urban renewal and college housing? Was it to slow it up? Was it to destroy the program?

Mr. RAINS. I will say to the gentleman that while I do not have many attributes as a legislator, I try to have the attribute of being practical. I know when I have difficulty and I realize what kind of difficulty I will have with a brandnew program not yet and never before authorized so far as moving it out of the Committee on Rules. For this reason, because it is a new and different program—and I am not talking about programs that have been a part of the legislative history of this Congress for many years—I have taken this position. In this particular instance, I bowed my head and said it is necessary, in my judgment, for the old people of this country to get this type of housing and in order to do it, I bow to the present situation of asking for an appropriation. The practical reality of the situation is why I insist that it be put in as an appropriation. It is a brandnew program, as the gentleman knows.

Mr. WIDNALL. I understand that thoroughly, but again I would like to ask the gentleman from Alabama if this does not destroy housing for the elderly program as proposed by you, if you have to go to the Committee on Appropriations.

Mr. RAINS. I would hope it would not destroy it. I cannot even imagine the Committee on Appropriations saying to people who are on social security with less than \$1,800 a year and no place to live and unable to pay rent on FHA houses, "We cannot give you a dollar." I realize that old folks' housing ought to have a little bit more, what shall I say, glamor and romance, but in the desire to get something done—that is why I put it in.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I rise in support of the amendment and in defense of the Committee on Appropriations. From what the proponents of this amendment have said on this floor in the last 15 minutes, you would think the Committee on Appropriations appropriated money. As a matter of fact, the chairman of the Committee on Banking and Currency said just that—that the Committee on Appropriations might not appropriate money for this thing. You all know, and it is not necessary for me to repeat it to you, that the Committee on Appropriations cannot do one thing—they cannot appropriate money and they cannot prevent the appropriation of money unless that is the will of the majority of this House. You have an opportunity on every annual appropriation bill that comes up to express your will. We have

had a Committee on Appropriations for a long time. This gimmick is comparatively new, but this Congress lived and this country lived and prospered and grew great for 150 years under the old constitutional method of appropriations through the Committee on Appropriations.

Mr. TABER. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. SMITH of Virginia. I yield.

Mr. TABER. This amendment would cure the defect in the bill because it requires an annual review by the Committee on Appropriations of what is going to be spent and that is a good thing, too.

Mr. SMITH of Virginia. Mr. Chairman, I called attention just a little while ago, when I spoke earlier today on this bill, to one provision in this bill, and I am going to do it again, if I have the time. Turn to page 130 and read where you are proposing—I might almost say the dictates of the Committee on Banking and Currency—as long as committees are being criticized—you are proposing to authorize the President of the United States to authorize appropriations in unlimited amounts. Did you know that? Some of you heard me say it a while ago. If you do not know it, look at page 130 and see how crazy we can get, where it says that this appropriation for urban renewal shall be limited to \$1 billion—and here is the provision—unless authorized by the President. If you are going to pass this kind of legislation, let us all go on home and send a proxy to Washington and thus save the Government a lot of money.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

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

Mr. HOLIFIELD. I yield.

Mr. RAINS. I would say, if I may, to the distinguished gentleman from Virginia that he did not read the section, but he just read the part he wanted to read, and what he did read came out of the administration bill. That is what we took out of the administration's bill. If he will look at it a little more and will check with his friends across the aisle, they might explain that to him a little better.

Mr. HOLIFIELD. Mr. Chairman, I thank the gentleman for his contribution. I spoke once before on this bill today and I read 21 programs into the Record that have been authorized by the Congress and which involve debt transactions or guarantees of loans. Those programs include the Commodity Credit Corporation, the Federal Farm Mortgage Corporation, the Federal National Mortgage Association, Rural Electrification Administration, the St. Lawrence Seaway, and I could go on with many others that this House has approved and has authorized the issuance of bonds.

In the main these bonds are repayable. I want to be fair with the House and say that there are provisions in all of these programs which say that if the bonds should default in the full amount that the Treasury would pick up the amount which is defaulted; and, of course, under

this bill there could be some expenditure, but in the main these programs have been self-financing, and in some instances they have actually made money for the Government.

There is another area covered in these 21 programs, and that is the right to authorize contract obligations. This was used in the Defense Department quite extensively. It is used in public and private housing; it is used in the guarantee of veterans' loans; it is used in the matter of loans for slum clearance, the use of the Government's credit to guarantee these bonds and debentures.

This type of amendment was not placed on the 21 programs which the Congress in its wisdom over the years authorized time and again, and there has been no evidence of abuse as a result of this kind of legislating. I say to you these are the things you must consider.

The gentlemen on the Appropriations Committee make a good plea. If I were on the Appropriations Committee I probably would want to get all the power I could; but this Congress has some power, too, in the matter of setting up policies and programs.

I ask you to defeat the amendment.

The CHAIRMAN. The gentleman from New Jersey [Mr. THOMPSON] is recognized.

Mr. THOMPSON of New Jersey. Mr. Chairman, I oppose the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. THOMAS] is recognized.

Mr. THOMAS. Mr. Chairman, let me talk briefly to my colleagues here and just try to talk a little bit of common horse-sense. There is nothing to get excited about.

I love my good friend from Alabama. He says this is going to kill the program, and that is just not true. I voted for the gentleman's bill, I voted against the substitute, and, as I said to my friend from Minnesota, I am going to vote for the bill regardless of the outcome of this vote.

All that is involved here is how we handle appropriations. If you will forgive a personal reference, this will come before the gentleman from Illinois and the rest of us on independent offices, and I do not think any Member has said they have suffered too much at our hands.

My good friend from California read a list of veterans' items and said they might be in danger. My friend was confused, because the money for every item he read off, education, pensions, and compensation, and all that, is appropriated every year, and that is all we are asking you to do here, to have the money appropriated by the Congress and not let the agency go to the back door of the Treasury.

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

Mr. THOMAS. I yield.

Mr. SISK. I believe the statement of the gentleman from California was to the effect that these programs started as a public debt transaction and may have been adversely affected had they been forced to get their money through the appropriations process. Would the gentleman agree with that?

Mr. THOMAS. Has anybody in this House ever been unfriendly to the veterans' interests? Why, of course not.

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

Mr. THOMAS. I yield.

Mr. HAYS. I just wonder if the gentleman offered this same amendment to the Export-Import Bank bill, and if he did not, why he did not?

Mr. THOMAS. No, I did not. The gentleman is right. I cannot keep up with my good friends on the Banking and Currency Committee 100 percent; to do it would keep me going 24 hours a day. These brethren are able, and lovable, and quick on their feet, and quick witted, too.

Something was said about the Space Agency. Let us straighten that out. Do you know that every quarter the Space Agency has is appropriated? All you are doing in these amendments is to say that Congress should appropriate the money; that is all.

Mr. Chairman, let us retrieve back the appropriating power of the Congress and put it in Congress' hands. That is where your people want it. They voted for you to handle the purse strings; now, let us handle them.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, there is no more able or adroit debater in the Congress than my friend from Texas [Mr. THOMAS]. Unless you think objectively, he is liable to lull you to sleep and in your period of sleep convince you to do something that would be responsive to his wishes but would not be carrying out your own views.

There is nothing new in this question before the Committee at this time. We settled it in the airport bill. We had it up at that time. We had the same question in connection with direct loans to veterans. It is involved in the Commodity Credit Corporation where \$14,500 million has been authorized by the Congress, where they can issue bonds with provisions for the Treasury, if necessary, to pay the bonds. That is a direct debt transaction.

We do not see any of our friends when legislation comes up relating to the Commodity Credit Corporation offering this sort of amendment, particularly those who come from farm areas. We from the cities appreciate the necessity of direct debt transactions in the case of the Commodity Credit Corporation so that we would not offer such an amendment and we would oppose such an amendment if offered.

There is the Federal Farm Mortgage Corporation, the National Mortgage Association, the Housing and Home Finance Administration, the International Cooperation Administration, and there is the Rural Electrification.

The Congress can work its will. We are working the will of the Congress now. The committee has reported out a bill with certain provisions. The gentleman from Texas has offered an amendment. So we have the opportunity of working the will of the House now, whether we will follow the course in connection with these important ac-

tivities as provided by the House bill or we will adopt the amendments offered by the gentleman from Texas [Mr. THOMAS]. So the House is going to work its will.

Mr. Chairman, I respect the Committee on Appropriations. I realize the power of the Committee on Appropriations, I realize that money is power, and I have felt the impact of it. But I also believe that the standing committees of the House of Representatives should not be put in a subordinate position to the Committee on Appropriations.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas [Mr. THOMAS].

The question was taken, and on a division (demanded by Mr. THOMAS) there were—ayes 135, noes 145.

Mr. THOMAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. THOMAS and Mr. RAINS.

The Committee again divided and the tellers reported that there were—ayes 149, noes 145.

So the amendments were agreed to.

Mr. RAINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, had come to no resolution thereon.

#### AGRICULTURAL APPROPRIATION BILL

Mr. COOLEY. 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 North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, the amendment to the agricultural appropriations bill submitted by the gentleman from New York [Mr. TABER], and which has just been approved by the House, would utterly and completely destroy the farm program—if it becomes law and accomplishes what it proposes to do.

The injury and the hurt, the privations from loss of income, would fall heaviest upon the family farms of America.

Certainly I am not carrying the torch for large producers. We have more small farmers in my State of North Carolina than in any other State of America. We have more people living on the farm in North Carolina than in any other State. My primary interest is, of course, in little farmers, those who live upon and earn their living upon the family farms of our country. Most of all, I am interested in a successful and well-operated Federal farm program. I know and I understand the far-

reaching and devastating effect of the amendment offered by Mr. AVERY, of Kansas, which was included in Mr. TABER's motion to recommit.

I cannot believe that the author of this amendment intended to make the \$50,000 limitation applicable to price-support loans to cooperatives, as well as to individual farmers, but he must admit that that is exactly what the amendment will do.

This is just another illustration and rather dramatic demonstration of the fact that we should never attempt to write legislation into an appropriations bill. I know that this amendment might be very well called a limitation rather than legislation but, after all, it makes a very definite and drastic change in the true intent and meaning of the legislation which has been approved by the Congress and is now a vital part of our farm program.

I am certain that many Members voted for this amendment, honestly and sincerely believing that they were doing the right thing. We are told that the road to hell is paved with good intentions. Regardless of good intention, the fact remains that if this amendment should finally be enacted into law, the farm program will abruptly end.

Moreover, the amendment represents a breach of faith with the farmers of this country. It would prevent the Department of Agriculture from carrying out its price-support obligations on 1959 crops—most of which are already planted.

Under the amendment, no Commodity Credit Corporation price-support loan could be processed which is in excess of \$50,000. This would disrupt orderly marketing. It would force dumping of farm commodities upon the markets. It would weaken the price structure of agriculture.

The sponsors of this proposition indicate that their intention is to limit price supports to large farmers. But in doing so, as the Taber amendment has now been approved by the House, the greater hardships would be visited upon the family farmers, who now are hardly able to make ends meet.

Mr. Speaker, I know that many Members of this body who voted for this proposition were persuaded to believe that they were advancing the cause of the family farm system in agriculture, and they believed that farm programs should be drawn and designed primarily to perpetuate this system which in the early years of this Republic established the economic foundation of the free-enterprise system, and which down through the years has contributed so much to our spiritual, social, and political vitality.

Such is my own philosophy, and this is the dominant consideration in all my efforts to create national policies enabling the establishment of a sound and profitable agriculture.

But, Mr. Speaker, I repeat and I reemphasize that this amendment is not helpful—it is inimical, it is adverse—to the interest of the family structure in our agriculture.

The amendment will limit price-support operations not only for big farmers but also for hundreds of thousands of

small farmers in every part of the country who receive their stabilization loans through cooperatives.

The amendment places a \$50,000 maximum on any loan, including those made to cooperatives, even though the cooperative may represent, as some of them do, virtually all the farmers producing a commodity. It would thus virtually eliminate price-support operations for all those farmers who operate through cooperatives.

Mr. Speaker, even Mr. Benson, with whom I vigorously disagree on most matters relating to agriculture, recognizes the weakness of the proposition as it has been approved by the House.

When the amendment was presented I called upon Mr. Benson for a statement of his position upon it. I have a letter from the Secretary, just handed to me, in which he has this to say:

Before the Congress finally enacts the appropriations bill, consideration will no doubt be given to amendments which would cover purchase agreements as well as loans, to make clear where support operations are carried out through farmer cooperatives that any limitation imposed would not apply to cooperatives, as such, and to other perfecting amendments.

I just have received, also, a telegram from Mr. Herschel D. Newsom, master of the National Grange, one of our greatest farm organizations, and I now read this message to the House:

Even though there may seem to be superficial basis for Taber amendment, Grange vigorously urges its defeat. Such amendment fails to recognize real cause of difficulties and undesirable results of present program.

Until more basic change can be made such amendment would increase rather than diminish the undesirable effects of present method of price support. Grange is determined to make basic changes and corrections in farm program as your committee well knows, but Taber amendment will neither constitute nor improve prospect of sound change.

Mr. Speaker, substantial changes in the farm program are now being drafted by the appropriate legislative committees, in an effort to adjust this program to the changing conditions in agriculture. Drastic changes in the program, if they are to be adopted, should be brought about by careful consideration of this legislation—not by hasty action in the Congress with absolutely no opportunity for debate or consideration.

A great part of agriculture is now in dire circumstances. Mr. Benson tells us that farmers must expect another income cut this year of 5 to 10 percent, at a time when all other elements of our national economy are experiencing unprecedented prosperity. Our farm families deserve better treatment at the hands of their Government. Their problems are entitled to the thorough and sympathetic consideration of the Congress.

The Avery amendment which was incorporated in the Taber motion to recommit was briefly debated and defeated in the Committee of the Whole. At the end of the day and at the end of the debate, the motion to recommit was offered and the previous question was ordered. The House then adjourned and

no further debate was possible. I could not even be recognized for a 1-minute speech to explain the effect of the proposition, nor for the purpose of making a point of order. This was the parliamentary situation at the time the vote was taken. I am quite certain that the amendment in its present form, when well understood, will not be approved by the other body—which the Rules of the House will not permit me to mention.

#### NINETEEN HUNDRED AND FIFTY-SEVEN CROP LOANS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, to revise and extend my remarks, and to include tables.

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

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, each year for the past few years former Congressman Brownson, of Indiana, or I have placed in the RECORD a list of the producers receiving the largest amounts in crop loans. The 1957 list for corn, wheat, cotton, and rice was not available until after Congress adjourned and so was not placed in the RECORD last year.

The amount of crop loans has become the subject for the motion to recommit the agricultural appropriation bill; and, accordingly, I believe the RECORD should contain the 1957 list.

It follows:

#### U. S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

#### Producers with the largest quantity of corn placed under loan on the 1957 crop

Name of producer and address	Quantity	Amount
<b>ALABAMA</b>		
<i>Bushels</i>		
T. J. Jones, Jr., Marion.....	10, 168	\$14, 194. 68
Jack S. Butler, Fayette.....	5, 748	8, 047. 20
Guy L. Gannaway, Lincoln.....	5, 541	7, 757. 40
Donald L. Pierce, Wetumpka.....	5, 223	7, 312. 00
W. R. Lingerfelt, Fyffe.....	5, 866	7, 215. 18
Estimated State average per corn loan.....		847. 33
<b>ARIZONA</b>		
<i>Bushels</i>		
Jim Veck, Willcox.....	9, 492	14, 142. 63
Dunagan Bros., Willcox.....	8, 287	12, 099. 21
Dale G. King, Willcox.....	7, 900	11, 770. 55
Grant Anderson, Willcox.....	4, 429	6, 510. 34
B. M. Jacob, Willcox.....	3, 385	5, 043. 35
Estimated State average per corn loan.....		6, 726. 00
<b>ARKANSAS</b>		
C. R. West, Marianna.....	11, 990	16, 946. 49
Nickey Bros., Memphis, Tenn.....	7, 434	10, 407. 60
Cedric Lee, Dumas.....	7, 327	10, 275. 84
Earl Wells & Son, Helena.....	6, 100	8, 540. 61
Frank T. Griffen.....	5, 860	8, 054. 24
Estimated State average per corn loan.....		2, 185. 00
<b>CALIFORNIA</b>		
H. H. Peterson and Sons, Inc., Chico.....	29, 637	42, 514. 28
W. H. Wright, Chico.....	28, 757	40, 927. 27
George Stutz, Red Bluff.....	26, 057	35, 411. 46
George M. Beke, Vina.....	25, 833	30, 280. 98
George M. Stutz, Chico.....	18, 846	27, 034. 58
Estimated State average per corn loan.....		27, 789. 00

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Producers with the largest quantity of corn placed under loan on the 1957 crop—Con.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Kansas-continued, Kentucky, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for New Jersey-continued, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania.



Producers with the largest quantity of rice placed under loan on the 1957 crop—Con.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Louisiana, Mississippi, Missouri, Texas, and estimated state averages.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Colorado, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, and estimated state averages.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, and estimated state averages.

Producers with the largest quantity of wheat placed under loan on the 1957 crop

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Alabama, Arizona, Arkansas, California, and estimated state averages.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, and estimated state averages.

Table with 3 columns: Name of producer and address, Quantity, Amount. Includes sections for Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, and estimated state averages.

See footnote at end of table.

See footnote at end of table.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
NEVADA <sup>1</sup>		
Earnest Clinger, Lovelock	Bushels 1,060	\$1,537.00
Estimated State average per wheat loan		1,537.00
NEW JERSEY		
J. Ernest Snyder, Englishtown	5,811	12,547.39
Wm. D. Clayton, Freehold	5,500	12,100.00
Cross Bros., Holmdel	5,500	12,045.00
Roseco Clayton, Freehold	3,048	6,707.80
John Probasco, Wrightstown	2,749	6,102.78
Estimated State average per wheat loan		3,118.40
NEW MEXICO		
Roy Williams & Sons, Clovis	24,065	45,722.86
Laura Moore & Sons, Clovis	15,456	29,057.05
Skarda Bros., Clovis	13,472	25,153.26
Leslie Pattison, Clovis	12,426	23,360.26
Roy & Leon Marks, Clovis	12,459	23,174.35
Estimated State average per wheat loan		4,000.00
NEW YORK		
Edward Leathersich, Caledonia	5,569	11,917.66
Everett LaWall, Gainesville	5,197	11,291.10
R. V. Call & Sons, Batavia	3,592	7,739.05
Louis Thomson, Avon	3,524	7,647.08
Gordon Wilson, Jr., Dansville	3,444	7,370.16
Estimated State average per wheat loan		1,813.38
NORTH CAROLINA		
S. P. Jackson, Kinston	3,029	6,131.44
L. P. Lindsley, Williamston	2,174	4,392.55
A. M. Waddell, Rockingham	2,173	4,427.00
Isaac Russell, Albermarle	2,111	4,158.67
J. H. Teague, Hickory	1,738	3,691.34
Estimated State average per wheat loan		828.23
NORTH DAKOTA		
Otto Engren, Minot	41,072	79,059.39
Wittman Co., Mohall	38,680	73,971.45
Ryan Farms, East Grand Forks, Minn.	29,185	58,387.57
John D. Kirschman, Lemon, S. Dak.	24,325	49,005.49
Peter A. Nygaard, Alexander	23,802	45,014.29
Estimated State average per wheat loan		2,035.00
OHIO		
The Orleton Farm, London	14,369	29,457.82
Agricultural Lands, Inc., London	10,152	19,491.84
Case & Co., Inc., Richmond	7,756	15,821.22
Alpha Realty Co., care of Robert Jackson, manager, Mount Sterling	5,922	11,251.80
Case Farms Co., Prospect	4,887	10,019.03
Estimated State average per wheat loan		1,040.00
OKLAHOMA		
Henry C. Hitch Ranch, Guyman, Tex.	51,343	101,780.86
A. L. Jackson & Sons, Spearman, Tex.	28,266	53,743.19
A. H. Huckaby, Selman	15,545	28,727.64
John W. Webb, Eva	13,344	25,437.74
Ed Tucker, Elkhart, Kans.	13,192	25,196.09
Estimated State average per wheat loan		1,831.00
OREGON		
Amanda Duvall, Heppner	52,552	104,988.51
L. S. & Glen Thorne, Pendleton	50,582	92,674.62
Rew & Rew, Pendleton	38,322	72,869.39
Lloyd E. Smith & Sons, Mayville	35,219	67,230.70
F. L. Watkins, J. Kenneth Kasberg, and Helen Korn, Wasco	31,710	64,371.30
Estimated State average per wheat loan		5,981.56

See footnote at end of table.

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
PENNSYLVANIA		
Willow Brook Co., Catsaunqua	Bushels 3,400	\$7,071.52
Sam B. Firebaugh, New Freedom	3,245	6,812.48
Maple Lawn Farms, Inc., New Park	3,144	6,602.46
John C. Trexler, Mertztown	2,717	5,652.05
Herman Handwerk, Schnecks-ville	2,691	5,623.62
Estimated State average per wheat loan		1,030.00
SOUTH CAROLINA		
Garrett Bros. & T. H. Copeland, Mountville	3,704	7,926.56
Carl Porth, Fort Motte	3,567	7,334.73
Hugh W. Perrow, Cameron	2,825	5,744.00
G. C. & N. H. Bull, Cameron	2,736	5,609.00
J. V. Spigener, Allendale	2,680	5,305.77
Estimated State average per wheat loan		1,077.39
SOUTH DAKOTA		
Donald Hancock, Long-valley	40,397	87,215.07
Dennis Anderson, Onida	34,732	69,308.63
Leslie Hancock, Longvalley	30,474	69,172.78
Myrten Jacoby, Patesland	28,727	60,472.74
Hansmier & Son, Bristol	28,500	58,555.00
Estimated State average per wheat loan		2,903.13
TENNESSEE		
Taylor & Teeter, Guthrie, Ky.	5,491	10,770.35
C. S. Crockarell & Co., Clarksville	5,011	9,976.11
Holman & Winn Robertson, Springfield	4,222	8,649.84
Harris & Teeter, Guthrie, Ky.	3,278	6,711.48
H. A. Dewberry & Jim S. Brock, Lawrenceburg	3,115	5,885.79
Estimated State average per wheat loan		750.00
TEXAS		
Jim Goldine, Dimmitt	35,277	75,188.99
Nuckles & Gerald, Chillicothe	27,187	54,373.33
Elizabeth Herring Estate, Amarillo	21,615	45,157.99
A. L. Stovall, Panhandle	22,808	42,932.77
A. C. Witt, Perryton	21,725	39,327.11
Estimated State average per wheat loan		3,073.00
UTAH		
Ralph Bastian, Riverton	10,869	18,625.39
Orlando Allen, Tremonton	9,926	17,171.98
L. S. Capener, Riverside	9,096	14,736.05
Waldo Grant, Howell	8,329	14,409.17
Holmgren Bros. (LeRoy Dell and John), Bear River City	8,768	14,291.30
Estimated State average per wheat loan		3,065.00
VIRGINIA		
Adolph Hula, Charles City	6,707	14,557.28
Evelynnton Plantation, Charles City	6,149	13,377.17
Brandon Farm, Spring Grove	4,533	9,347.52
Stanley Hula, Charles City	4,231	9,008.89
Upper Brandon Farm, Spring Grove	3,706	8,039.65
Estimated State average per wheat loan		999.89
WASHINGTON		
L. C. Staley, Pullman	55,613	103,573.72
Bi-County Farms & Horri-gan Farms, Prosser	46,481	91,567.57
Don Damon, Cunningham	48,189	90,596.23
Wilbur Security Co., Wilbur	47,685	84,437.70
Edgar W. Smith & Sons, Lancaster	39,488	74,237.16
Estimated State average per wheat loan		6,790.00

Producers with the largest quantity of wheat placed under loan on the 1957 crop—Con.

Name of producer and address	Quantity	Amount
WEST VIRGINIA		
Oliveboy Stock Farm, Charles Town	1,370	\$2,928.03
Paul D. Chapman, Rippon	1,012	2,196.76
Willard O. Lloyd, Charles Town	553	1,211.798
Alice J. Knott, Shepherds-town	418	852.72
J. Edgar Day, Shepherds-town	410	816.56
Estimated State average per wheat loan		1,391.35
WISCONSIN		
Kiehlbach Bros., Sturtevant	3,416	7,310.24
Henry & Charles, Rippon	1,854	3,967.56
Lester Hribar, Union Grove	1,270	3,717.80
Harry Kingsfield, Union Grove	827	1,769.78
Ronald Brummond, Mayville	814	1,693.12
Estimated State average per wheat loan		1,462.18
WYOMING		
Christy K. Smith, Newcastle	18,513	41,418.00
Conrad Kaufman, Hawk Springs	18,816	37,970.00
Joe Matje, Lagrange	18,751	36,176.00
Lon David, Haw Springs	16,816	36,138.00
Dale Hubbs, Haw Springs	15,724	32,429.00
Estimated State average per wheat loan		3,500.00

<sup>1</sup> Wheat loans made to only 2 producers in Arizona and 1 producer in Louisiana and Nevada.

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. THOMAS. 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. THOMAS. Mr. Speaker, I voted against the authorization bill for the Space Agency for the reasons I have heretofore set forth in the RECORD on pages 8277 and 8291.

I repeat that I think the programs of the Space Agency should be carefully reviewed by the Congress, and this will be done now without section 4 of this bill. Section 4 will slow down the program 3 to 4 months every year.

We have spent in the neighborhood of \$40 billion a year for national defense for several years without the requirements of section 4. At least \$3 billion or \$4 billion of the money goes for research and development in the same field as the Space Agency without the requirements of section 4.

I make these remarks as it is the only way of registering my disapproval to section 4 under the procedure where the bill was brought up under suspension of the rules and could not be amended.

NUCLEAR TEST BAN PITFALLS

Mr. HOSMER. 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. HOSMER. Mr. Speaker, under date of May 8, 1959, a document of exceptional importance was submitted to the Joint Committee on Atomic Energy via its chairman, the Honorable CLINTON P. ANDERSON. The document was written by the Honorable Thomas E. Murray, formerly an Atomic Energy Commissioner and at present a valued consultant to the Joint Committee.

The Murray document deals realistically with the subject of bans on nuclear testing, the subject of much current talk at the Geneva Conference of foreign ministers and brings to light many facets of that vital issue which have for too long been ignored in public discussion.

Murray advises that U.S. acceptance in principle of a proposal for permanent cessation of U.S. nuclear testing represent "a step backward in the policy of retreat" which the United States has adopted in disarmament negotiations. He asserts his belief that from the standpoint of American military security and political advantage, the worst thing that can happen is Soviet acceptance of such a proposal.

Citing an "uninformed and frightened world opinion" as the chief weapon of the Soviet Union in the propaganda war, Murray holds that public ignorance in nuclear matters leave the American people unable to debate intelligently either the effects of nuclear testing, the shape of a sound foreign policy, the design of a rational military policy, or the nature of our moral responsibilities.

He cites prior incidents of contradictory positions by the United States on nuclear policy. For instance, as late as December 1957 President Eisenhower was reiterating our former policy that cessation of nuclear tests would endanger the national security. Yet in August 1958 the President unilaterally ceased U.S. nuclear testing.

The U.S. ban was based on a scientific assumption that nuclear test explosions could be readily detected, and on a political assumption that the United States would score a propaganda victory. Both assumptions, contends Murray were wrong; "the scientific assumption proved completely invalid and the political assumption boomeranged," he says.

Mr. Murray properly points out that throughout the test ban negotiations the immense land area of Red China has been completely ignored, rendering any scientific and political agreement which might be concluded essentially meaningless.

He held that the President's judgment in December 1957 is the right one because American military security demands continued nuclear testing in order to develop weapons for "important defense uses," to develop lower yield weapons for use in limited wars, and in order to make the weapon "more a military weapon and less a weapon of mass destruction." The need for further tests for defense purposes was emphasized by

the Argus and Johnston Island outer-space tests, Mr. Murray argues.

He expresses a belief shared by many that there is a moral responsibility, so long as nuclear weapons do exist, to develop them into controllable and discriminate military weapons rather than indiscriminate instruments of massacre. Murray's call is for clear thinking which will bring a return to first principles: moral, political, and military.

Although I do not agree with Mr. Murray in each detail of his statement, and will at later times expand upon my own views, there is "red meat" food for thought in what he says. For that reason and because press coverage of his statement was skimpy, I have asked that his full statement be set forth, as follows:

#### THE PRESENT UNITED STATES BAN ON NUCLEAR TESTING

(Memorandum to Hon. CLINTON P. ANDERSON, chairman, Joint Committee on Atomic Energy, from Thomas E. Murray, consultant)

In compliance with your request, I am submitting my comments on the present U.S. policy regarding the cessation of nuclear testing.

A new turn was given to the whole complicated issue of nuclear testing by President Eisenhower's most recent letter to Mr. Khrushchev, as reported in the press. The worst thing that can now happen is that Mr. Khrushchev will accept the first proposal made by the President in this latest letter.

The proposal bears on the crucial issue of inspection. It is substantially the proposal made by Prime Minister Macmillan to Mr. Khrushchev and accepted by the latter in principle. It suggests that an agreement be reached to carry out on an annual basis a predetermined number of inspections. These inspections would not be numerous, but should bear an appropriate relationship to scientific facts and detection capabilities. (It is not at all clear what this concept means and implies; at the present moment the scientific facts concerning the capabilities of detection systems, other than atmospheric, are matters of serious doubt. I shall return to this point later.)

From the standpoint of American military security and political advantage, the worst thing that can happen is, I say, that Mr. Khrushchev will accept the Macmillan-Eisenhower proposal. There are four major reasons, whose force is cumulative.

First, an agreement of this kind will put a permanent stop to all U.S. nuclear tests. This, as I shall say later, would be disastrous in the present state of our nuclear armament programs.

Second, this agreement would not necessarily put a stop to Soviet nuclear tests. The Soviet Union could very easily evade the extremely limited capabilities of the proposed system of occasional inspections.

Third, the agreement would therefore have only one effect on the current armament race, namely, it would guarantee that the United States, which may already be behind in the perfecting of needed weapons systems, will fall further behind.

Fourth, these disastrous effects on our military security would not be compensated by any political gains for the United States. On the contrary, the Soviet Union would have won the political victory. It would have driven the United States another long step backward along the lines of the policy of retreat that it has been following with most lamentable consistency.

For about 5 years the United States has been steadily retreating under Soviet pressures and under the pressures, largely gen-

erated by Soviet propaganda, of an uninformed and frightened world opinion. Now we are giving way to the ill-advised views of an ally, Great Britain, who presumed to project her views into the current negotiations without prior consultation with the United States. The President's yielding to Prime Minister Macmillan was unjustified and unnecessary. In consequence of it a situation which was already bad has become worse. It will not be difficult to show how bad the situation already was.

Ever since 1945 the Soviet Union has looked upon disarmament negotiations as a major arena in which to wage its cold war against the West. The war on this vital front has moved through several phases; the dominant issue has been nuclear armament. In none of the phases of the conflict has the U.S. Government scored any successes.

A serious failure has been registered at the Geneva conference of the three nuclear powers—the United States, the United Kingdom, and the Soviet Union—which opened on October 31, 1958, and has been dragging on ever since. Having been present in Geneva during the early part of the conference as consultant to Senator ALBERT GORE, one of the official observers for the U.S. Senate, I have followed the course of the negotiations with close attention.

The proceedings of the conference have been reported in the press; but there has been no public argument about the basic issues of American public policy that the conference raises. The public is almost entirely unaware of what these issues are. This is lamentable, since they concern vital aspects of our national security and our cold war strategy. There ought to be vigorous argument about them, as there has been about the missile lag and about other defense policies.

The immediate background of the Geneva conference was an international meeting of scientists, also held in Geneva, during the summer of 1958. The scientists reached an agreement on the design of an inspection system capable of detecting nuclear test explosions. But they had before them inadequate data; in fact, the magnitude of this problem is only now beginning to be understood. Surprisingly, instead of being cautious, they accepted conclusions that were far too optimistic and in several important respects erroneous. Moreover, it is worthwhile noting that politics was subtly present at this scientific meeting; it showed itself chiefly in a tacit agreement to avoid questions that would raise political issues. For instance, it was obvious that the inspection system on which they agreed could have no meaning since it failed to cover the immense land area of China. But this question was not even raised, for obvious political reasons. On all sides there was a determination to agree. I might interject here that the issue of including China in the scope of an inspection system has been consistently and resolutely avoided to this very day; yet the issue is absolutely crucial.

In sharing the determination to agree the Soviet scientists in Geneva were following political instructions, as Soviet scientists always do. They could afford to sign the scientific agreement because it was politically meaningless in view of the higher Soviet policy that the operation of all international system of control must be subject to the rights of national sovereignty and therefore to the veto power. This has been a Soviet policy since 1946 when it was first announced by Mr. Gromyko in the course of the discussions on the Baruch plan for international control of atomic energy. There has been no evidence that the Soviet Union is disposed to relinquish this policy. The political meaninglessness of the scientists' agreement was demonstrated when the political conference met. The Soviet Union quickly de-



manded the right of veto within the control commission that would operate the detection system. During the course of the negotiations it has held to this position, which renders sterile from the outset all political negotiations about international inspection of nuclear tests. I would note here that Mr. Khrushchev's seeming willingness to discuss the Macmillan proposal constitutes no evidence that the Soviet Union is willing to change its veto policy.

The scientific agreement was reached on August 21, 1958. On August 22 President Eisenhower declared a unilateral moratorium on all manner of nuclear tests, to begin on October 31 and to run for 1 year, subject to extension. The action was incredibly rapid. It was also drastic. No satisfactory public explanation of it has been offered by the administration. Yet an explanation was owed to the public because the action raised all sorts of serious issues. In particular, it represented a radical change in American nuclear armament policy, a significant step in the policy of retreat upon which the United States has embarked. In order fully to explain the shift it would be necessary to go into the whole history of armament and disarmament policy; but this is a lengthy and tortuous story. The essential issue will appear if we go back just 1 year.

On August 21, 1957, exactly a year before the test moratorium was announced, President Eisenhower notified the London conference on disarmament that the United States would continue to "conduct such nuclear testing as our security requires," until two conditions were met: first, that all nations agree to stop testing, and second, that serious discussions about international inspection be inaugurated. In the course of the London conference the United States had made substantive concessions to Soviet demands, without obtaining any Soviet concessions in return. For instance, the United States gave up its long-standing position that nuclear tests should not be the first item on the disarmament agenda. More important, it revoked its even more substantive position that the cessation of nuclear tests must be made dependent on the prior installation of an effective inspection system. But the United States still held fast to the absolutely fundamental principle that an agreement on any ban on nuclear tests must be kept subordinate to the demands of American military security. It also held to the position that America would not act unilaterally in the matter.

On October 4, 1957, the President put the American position firmly in a long letter to Prime Minister Kishi of Japan, who had pleaded for a cessation of tests. The President said that "for the time being and in the present circumstances the security of the United States and, I believe, that of the free world depends to a great degree upon what we learn from the testing of nuclear weapons. We are at a stage when testing is required for the development of important defensive uses of nuclear weapons, particularly against missiles, submarines, and aircraft as well as to reduce further the fallout yield from nuclear weapons. To stop these tests in the absence of effective limitations on nuclear weapons production and on other elements of armed strength and without opening up of all principal nations to a measure of inspection as a safeguard against surprise attack in which nuclear weapons could be used, is a sacrifice which would be dangerous to accept."

On December 15, 1957, in a letter to Prime Minister Nehru of India the President made the same argument. "The cessation of tests," he said, "cannot be an isolated step"; it must be accompanied by other measures. He added: "We are at a stage when testing is required particularly for the development of important defensive uses of these weapons." And he concluded: "To stop these

tests at this time \* \* \* is a sacrifice which we could not in prudence accept."

Here then the essential issue appears. As late as December 1957 the President argued that a test moratorium would be imprudent, dangerous to the security of the United States and the free world, an unwarranted sacrifice of defensive military strength. He also implied that the United States has laid out a test program with definite objectives whose achievement is essential to the national defense. A bare 8 months later, in August 1958, the President declared a unilateral test moratorium on all kinds of tests. The American test program was brought to a complete halt. The dismaying thing is that this stoppage promises to be permanent, unless a better understanding of the issues is quickly reached; and no efforts are being made to promote this understanding.

The vital questions come to mind immediately. What happened in those 8 months to obviate or lessen the imprudence and danger of stopping nuclear tests? Did the United States suddenly acquire all the requisite designs of nuclear weapons for all "important defense uses," in such wise that no further experimentation was needed? At a press conference on April 25, 1956, the President had said that "the United States is proceeding with tests in order to find out ways and means of limiting nuclear weapons \* \* \* and in general making the weapons more a military weapon and less a weapon of mass destruction." This objective is of supreme importance, both from a military and also from a moral standpoint. Has it been completely achieved? Or has it been abandoned? Has the United States permanently given up its program designed to limit nuclear weapons and make them suitable for properly military uses? Has it completely committed itself to a policy of almost total reliance on the strategy of massive retaliation by multimegaton weapons, which are not military weapons at all but simply instruments of indiscriminate massacre, designed for the annihilation of whole populations? Or possibly, is the United States presently so sure of its superior strength in the field of limited nuclear weapons, suitable for tactical use, that it can afford to stop tests, while the Soviet Union continues its tests, many of which are experiments with weapons of limited yield? Is the United States really ahead of the Soviet Union in this field?

The administration has given no answer whatever to these questions. What is worse, the questions themselves have not been put strongly enough to the administration. It seems to me that the American public is presently in an intolerable position. All it knows is what the President has said and what the President has done. What the President has repeatedly said is that continued nuclear tests are necessary for the national security. What the President has done is to stop the tests that are necessary for the national security. This is a plain contradiction. If the President was right in considering it imprudent and dangerous to stop tests in December 1957, he cannot have been right in stopping tests in August 1958. And if in August the action of stopping tests was prudent and compatible with the national security, the declaration in December was false. What is the public to believe? Neither the administration nor the public can have it both ways.

This is the more true because nothing happened between December 1957 and August 1958 to alter substantially either the international political situation or the domestic armament situation. An agreement was reached on the practicability of an inspection system to police a ban on tests; but this agreement is scientifically invalid and politically meaningless. Moreover the elaborate series of small tests that was rushed through at the Nevada test site in

September and October, in order to beat the deadline for the moratorium on October 31, was sufficient testimony to the fact that the technology of lower kiloton, and especially fractional kiloton, weapons is still very imperfect. Limited nuclear weapons have always been the stepchild in our armament program. Our program in this range has hardly begun to move beyond the development stage; and in this stage tests are absolutely necessary in order to improve existent designs and to validate the radically new designs that are still needed. When the moratorium went into effect, the imperative objectives of our test program, as defined by the President, had not been achieved.

There is another alarming aspect to the matter. It came to light when the disclosure of the Johnston Island and Argus series of tests was made. The purpose of these tests was to investigate the effects of nuclear explosions in outer space. This was a radically new and vastly important field of investigation. When the President announced the test moratorium he knew the results of the Johnston Island tests and he also knew that the Argus series was soon to take place. The results of these two series of tests have been sufficient to raise grave questions about the effect of nuclear explosions in outer space on the operation of American weapons systems, communications systems and early warning systems. We must assume that the Soviet Union has conducted similar experiments and may be in a position to exploit their effects to its own advantage in the event of war. Given the meagerness of our knowledge in this area, it is imperatively necessary that the United States should conduct further tests in outer space. Delay is dangerous. But the President's moratorium is denying to the United States the scientific information that is vital to the national defense.

No military man in possession of the facts would have recommended the test moratorium, or consented to it except under heavy pressure. The military judgment today must still be the judgment made by the President in December 1957 that a total shutdown on all tests, small as well as large, underground as well as overground, is imprudent, dangerous to the national security, an unwarranted sacrifice of defensive strength.

Given the plain and public contradiction between the statements and the actions of the administration, it is, I think, altogether necessary that your committee should give immediate attention to the following questions: Is the existent moratorium compatible with the security interests of the United States? This is the major issue raised by the President's statements, quoted above, and by the results of the Johnston Island and Argus tests. In particular, is our present situation and our current progress satisfactory in what concerns the defensive uses of nuclear weapons, uses that are properly military because they envisage military targets (submarines, aircraft, missiles, troops in the field, military installations, etc.). For these uses limited weapons are desirable and necessary. Is our stockpile of these weapons adequate? Are our development programs sufficiently varied? In particular, is satisfactory progress being made toward the President's essential objective of "making the weapon more a military weapon and less a weapon of mass destruction?"

This objective is not only a military necessity but also a moral imperative. It is a military necessity for the reason pointed to by the Rockefeller Bros. special studies panel on national security, lest we be frozen between "the alternatives of yielding to what will seem a marginal Soviet gain or precipitating a worldwide holocaust." It is a moral imperative for the reason that we must have in hand the means of making

the use of force a moral act, an act of justice against injustice. The norms of justice will not sanction a use of force that is not limited and discriminating. They demand that force be directed with fair precision against the opposing force that is the instrument of injustice. They forbid that force be launched wildly against total populations. The moral integrity as well as the military security of the American people are at stake in the field of nuclear armament. It is the prerogative and the duty of your committee to elicit the due measure of public information on both issues.

A great deal of publicity has been given to many other areas of national security. There is an equal public right to candor about the nuclear weapons program in all its aspects, military and moral. Nuclear secrecy is now for the most part an archaic survival from the presputnik era. It has outlived its major usefulness as a means of military security. And in considerable part it has become a menace to another value that is not less important, our moral integrity as a Nation.

For instance, there has been ample information about missiles that will hurtle from 2,000 to 6,000 miles. The people have been informed, altogether vaguely, that these missiles will carry thermonuclear warheads. They may well suppose that the present technological effort is to make these warheads as destructive as possible. But the fact that multimegaton warheads will kill tens of millions of men, women, and children, has not been impressed on the imagination or the moral conscience of the American people. Yet, if these missiles are delivered, it is the American people as a whole, and not merely a handful of officers in the Pentagon, and the President, who will be morally responsible for the death and devastation that ensues. It is high time that the American people were told openly and frankly just what they are to be held morally responsible for. The Department of Defense is committed to the defense of the people not only as a historical people but as a moral entity, a nation under God, whose power, gained from the atom, is to be dedicated to the service of justice.

Given the military imprudence of the American unilateral test moratorium, one must presume that consent to it was obtained within military circles by the classic argument, overriding political considerations. The moratorium and the ensuing Geneva Conference were, in fact, a political maneuver. But the value of a political maneuver is measured by one standard—success. And the sorry fact is that both the moratorium and the Geneva Conference have been a dismal political failure.

Practically the first thing that the Russians did on arrival in Geneva last October was to announce in effect: "You want us to agree to a moratorium on tests for 1 year? That's no good. What we want is an agreement to abolish tests forever. And to abolish all nuclear weapons and nuclear warfare, too." Our propaganda line, that was supposed to capture the approval of world opinion, was topped at the very outset. We were put on the defensive again.

Our political gains from the test moratorium and the Geneva Conference have been zero. Worse than that, our political losses have been considerable. The image of America that we have projected is such as to inspire confidence only in our enemies, not in our friends. Surely the Russians must realize that our test moratorium marked a victory for their 12 years of tough policy and skillful manipulation of world opinion. They have driven us into a policy of retreat. It will take a high degree of political courage to extricate ourselves from its toils, which grow tighter every day.

The initial muddle is in our own thinking. It can only be cleared up by a return to first principles—moral, political, and military.

The first military principle is the security of the United States and the free world. It requires a flexibility of strength through the whole nuclear spectrum. To achieve this the essential demand now is an intensive test program of lower kiloton and fractional kiloton weapons for essential military purposes. This was the President's judgment in December 1957. It is still the right judgment.

This test program can be conducted underground. Therefore it will entail no radioactive contamination of the atmosphere and no hazards to world health from fallout. We have already developed the techniques for controlling and containing dangerous radioactive products from underground explosions. The techniques can be further perfected. On the other hand, tests conducted within the earth's atmosphere, from which contamination and fallout result, are presently not an essential demand of military security. We can afford to forego this manner of testing.

Therefore we are in a position to satisfy the demands of the first political principle, which is a due regard for the legitimate demands of world opinion. The peoples of the world are right in demanding that their health and well-being be safeguarded against possible radioactive hazards that might be created by nuclear tests conducted within the earth's atmospheric envelope. We can and ought to heed this reasonable demand.

The proposal that the United States should make, as a "first step," toward international limitation of nuclear weapons, is already evident from these two premises. The proposal has two parts: first, an agreement to stop all tests that would cause atmospheric contamination and fallout hazards; second, an agreement to inaugurate immediately an international inspection system.

The system is already in existence. Its operation needs only to be internationalized. Over the years the United States has created a system capable of detecting and locating nuclear explosions in the atmosphere, with a high degree of efficiency. We can immediately offer our own detection system for international use, to be manned by scientists from the nuclear powers. We should also propose an expansion of the system to include additional stations around the world, to be likewise manned by international scientific personnel. This expansion would increase the efficiency of the system to the point where it could detect and locate atmospheric nuclear explosions in the low kiloton ranges. This proposal would not call for the "mobile teams" of inspectors to which the Russians have been strenuously objecting at the Geneva conference. The international control teams would not have to inspect the scene of any explosion, either from the ground or from the air. Their work would be done at fixed stations. Therefore this proposal would cut the ground from under the Russian propagandistic evasions of the issues of control.

There is little or no reason to expect that the Russians would agree to this proposal. But whether they did or not, the United States would have improved its own position in two ways. First, it would have declared its freedom to provide for its own security by going ahead with "small" underground tests and with tests of the Johnston Island and Argus type in outer space. Second, it would have cleared its test policy in any honest court of world opinion.

The proposals that I have here suggested seem to be in substantial agreement with those made by the President to Mr. Khrushchev in a letter dated April 13, 1959. At that time the administration finally reached a realistic position compatible with national security and capable of being made the subject of a self-enforcing agreement. Subse-

quently, Prime Minister Macmillan thrust his unfortunate and dangerous idea into the picture. In his recent letter the President embraced the Macmillan idea and put his own proposal of April 13 into second place, as a secondary alternative to be considered if the Soviet Union rejects the Macmillan idea. This was a mistake. The Macmillan idea can prove to be a snare. But the idea behind the President's April 13 proposals has the merit of realism.

Realism here means a recognition of the fact that at the moment the science and technology of detection systems are developed to the point where only atmospheric explosions are subject to efficient and adequate detection. Formidable technical difficulties remain to be overcome before we can begin to talk of detecting all manner of text explosions. Hence it makes sense to propose a ban on atmospheric tests; this ban can be adequately controlled. It does not make sense to put forward proposals going further than this, unless we are prepared to make a mockery of the principle of inspection, to which we still fortunately cling, despite our continuing policy of retreat. I fear that there is far too little realization of the fact which I am here emphasizing, namely, the technical limitations of methods of inspection. Progress, of course, will be made. The point is that it has not yet been made. And it will be bad business if we let our political maneuvers run ahead of our scientific capabilities, in an area where these latter are decisive. An illusion of inspection would be worse than no inspection at all.

In conclusion, I express the hope that the policy I have suggested on nuclear tests would be the beginning of a recurrence to first moral principles. The fact today is that a vacuum exists in the governmental and public mind with regard to the moral aspects of the uses of force in the service of justice. The use of force is either considered to be inherently evil or else it is regarded as a purely neutral problem in technology. This vacuum of moral understanding and hence of political purpose is our greatest danger today. The chief reason why the threat of all-out war looms over the world is that nuclear technology, operating in a political and moral vacuum, but with appalling efficiency, has developed the capacity to wage it. And the technology continues to develop at a terrifying pace.

Nuclear technology alone cannot solve the dilemma it has helped to create. But it can make one necessary contribution. It can reduce the destructiveness of nuclear weapons to limits that make military and political sense. In the current international crisis recourse to armed violence may become a necessity of last resort. But the use of force must not go to the point of political and moral absurdity. If America is to lay claim to any moral mission in history, it must take the lead in confining the wildly destructive energies of the atom within the bounds set by the canons of justice. A rational test program, safely conducted, would therefore be a means of moral education as well as of military security. It would illustrate a sound philosophy of the uses of nuclear force in the furtherance of the American purpose, which is the organization of the world on the principles of justice and freedom—the principles which God himself has established for the rule of human societies. This test program, if it were intelligently explained to the public, might therefore help to develop in the public mind the right concepts that are presently altogether lacking. It would at least dramatize to the world American recurrence to first principles.

#### TIMBER RESOURCE REVIEW

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that the gentle-

man from South Dakota [Mr. McGOVERN] may extend his remarks at this point.

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

There was no objection.

Mr. McGOVERN. Mr. Speaker, the State of South Dakota is generally referred to as a "prairie" State with the possible implication that its people, concerned as they are with the agricultural problems of this rich grain and cattle land, have little interest in forest problems. It is significant, however, that 4.4 percent of the total land area of the State, some 2,169,000 acres, is in forest acreage. Harvesting and processing timber ranks third in importance among the three great natural resource industries of South Dakota—behind agriculture and mining. Over 4 billion board feet of live sawtimber now stands in the forests of South Dakota.

Almost 4 years ago Chief Forester Richard E. McArdle released the results of a mammoth study known as the Timber Resource Review which is the most complete evaluation of timber supply and demand ever made. It indicated that significant progress had been made in bringing timber growth and consumption into close equality.

Significant also was its conclusion that standing timber is declining in quality. It is estimated that by the year 2000, the demand will require a timber cut of 95 billion board feet of timber, two-thirds more than the present cut—that is, it will if wood is to occupy about the same place in the national economy that it does now.

Although planting rates have increased greatly in recent years there is a huge planting job ahead. Almost 50 million acres, or some 10 percent of all commercial forest land in the Nation, need planting if they are to become productive within a reasonable time. The Nation's Chief Forester has asked for 48 billion trees to be planted in the next 10 years if the wood requirements of an expanding population are to be met by the year 2000.

Cooperation between private, State, and Federal foresters is needed to meet this demand. Yet in recent years, the Federal Government has allowed its budget requests in this field to decline.

Concurrent resolutions have been introduced in both bodies declaring it national policy to provide a continuing program for the needed reforestation of Federal, State, and private land. The Secretaries of Agriculture and Interior would be asked to lay out a 10-year program beginning on July 1, 1960, which, by accelerating and supplementing existing reforestation programs, will plant 48 million idle and nonproductive acres to the trees we need.

Mr. Speaker, the longer action to build up our timber resources is delayed, the longer and more acute the period of short supply will be. Our goal should be permanent timber abundance. We can make trees and forests serve human welfare forever.

I am happy to join with my colleagues in sponsoring a similar resolution.

#### AIR MERCHANT MARINE

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker, I rise to urge the building up of an American air merchant marine capable of serving the needs of the country in both peace and war.

The country needs more airlift. During a trip abroad just before Easter, I saw in the Paris edition of the New York Herald Tribune, March 28, 1959, an excellent syndicated column by S. L. A. Marshall of the Detroit News—who is a brigadier general in the U.S. Army Reserve—pointing out that although we have developed STRAC, the Strategic Army Corps of four divisions, it would take some 17 days to airlift even the spearhead of one of these divisions, such as the 101st Airborne Division, to a trouble spot abroad such as the Middle East. The Department of Defense at my request commented on General Marshall's article that it would take less than 17 days, but they have not said how much less.

It is common sense that we cannot count on only one brush fire war breaking out in the world at any one time. Would we not be in a dangerous position if we only had enough airlift to fly troops to handle a crisis in the Middle East and if at the same time simultaneous brush fire wars broke out in Vietnam and in Korea? We must be able to deal simultaneously with crises on opposite sides of the globe. Sworn testimony before the Armed Services Special Subcommittee of the 84th Congress, 2d session—page 841—is very revealing:

General GAVIN. The Army in my personal opinion has as a very minimum, the need for a capability to lift one division in each of our major theaters of interest.

Senator SYMINGTON. Simultaneously?

General GAVIN. Yes, sir.

#### GROSSLY INADEQUATE AIRLIFT

As General Wheeler pointed out later in his testimony, far from having airlift for three divisions for three major theaters of operations, we are presently unable to airlift even one.

In his authoritative book on "Nuclear Weapons and Foreign Policy," Henry A. Kissinger quoted Army General Weyland that it would take some 15 days to move such a spearhead to the Middle East by available airlift and 10 days to move even a regimental combat team to Laos.

This is too slow and it means that our aerial fire brigades are liable to arrive too late to put out the brush fires, and in strength too weak to be fully effective.

Dr. Kissinger has pointed out that most of the airlift would not be available for limited war anyway since it would be earmarked for the Strategic Air Command, and that therefore "it will be necessary to create additional airlift capacity"—page 137.

It is the creation of additional airlift by a tripling of the civil airlift that is the purpose of my speech.

On December 9, 1958, Democratic Advisory Council's state of the Union message declared:

We must build, too, our air transport facilities for a maximum of three to four modernized divisions, to be quickly transported to where they may be needed.

#### INADEQUACY IS ON THE RECORD

It is a matter of record in testimony before the Appropriations Committee that there is less than enough airlift in combined civil and military hands to move even one division of troops along with their tanks, missiles and other equipment, let alone the three that are called for.

Therefore, obvious defense needs, emphasized by these Army generals and by our party's advisory policy, call for a threefold expansion of the national airlift.

How best can the national airlift be tripled?

It can best be done by a triple expansion of our civil airlift. This way is most in keeping with our free enterprise traditions, it is the cheapest, and it has a long history of success.

We have a sound and historic example in the civilian merchant marine which has been the backbone of seafight in every war in which this country has participated.

In World War II, General Eisenhower gave this salute:

When final victory is ours, there is no organization that will share its credit more deservedly than the merchant marine.

The Navy has never felt it necessary to build up a merchant marine of its own to compete directly with the civilian merchant marine in time of peace so as to have its own merchant marine in war.

#### SUCCESS OF MERCHANT MARINE

The Navy has always trusted the civil merchant marine to respond to the most dangerous wartime assignment, and this trust has been fulfilled.

If we could count, as we have done, on the sailors and ships of the civilian merchant marine to make dangerous voyages as they did to Murmansk and the Philippines, why can we not count equally well on the crews and planes of our air merchant marine to make emergency flights to Frankfurt, the Middle East, Saigon, or anywhere else in the world?

Is there any reason to suppose that the civilian crews and managements of the U.S. commercial airlines are any bit less courageous or less patriotic than the civilian sailors and management of the U.S. merchant marine?

The Navy, through its Military Sea Transport Service, tries to build up the civilian merchant marine by booking Government cargoes and passengers on the civil vessels wherever possible, instead of building up an empire of their own.

For example, out of each dollar appropriated to the Military Sea Transport Service—MSTS—over 70 cents goes to the U.S. flag civilian merchant marine, whereas by contrast the Military Air Transport Service—MATS—proposes that out of each dollar that they would be given for next year, the fiscal year 1960, they would retain 81 cents for their

own use and award only 19 cents to U.S. flag civil airline industry.

MATS should be encouraging the buildup of the U.S. flag civil air transport industry, and not competing with it in the carriage of peacetime Government traffic, because such competition hinders the buildup of civil airlift. Why should not MATS imitate MSTs and book 70 percent of its traffic on civil carriers?

It is obvious to me that a transport plane, like an ocean vessel, and unlike a tank or a bomb or a gun, is something that has a regular use in peace as well as in war. Therefore, the more transport planes that can be built up by the civil industry, the fewer that will have to be purchased and operated entirely at the taxpayers' expense.

USE COMMERCIAL CARRIERS TO THE MAXIMUM  
The bipartisan Hoover Commission unanimously recommended that:

Only after commercial carriers have been utilized to the maximum practicable extent, should transportation on service carriers be authorized.

This is a sound principle and who can really argue against it?

The Department of Defense itself recognizes the validity of this principle in its Department of Defense Directive 4500.9 which clearly directs that the congressional policy statements in the Transportation Act of 1940 and the Civil Aeronautics Act to be followed, that the resources of the Department of Defense "will not be employed in such manner as will adversely affect the economic well-being of the commercial transportation industry" and directs that, instead of Government transportation, "commercial transportation service will be employed for the movements of personnel or things when such service is available or readily obtainable and satisfactorily capable of meeting military requirements."

This Department of Defense directive is sound. If the Defense Department applied it consistently there would be no problem of Government competition with private, taxpaying air transport enterprise.

But, illogically, the Defense Department has limited the application of its own Department of Defense directive to traffic "within the continental United States." Why should there be a different policy outside than inside the country?

For no good reason, outside the continental United States, Government-owned and Government-operated airlines, in the form of MATS and an equally large fleet of "administrative aircraft" fly parallel to the U.S. flag airlines, and compete daily with them in the carriage of peacetime Government traffic.

#### NEED FOR LONG-HAUL TRANSPORT PLANES

I say the same policy of noncompetition should govern in the international traffic especially because, first, our U.S. flag carriers abroad have enough to do to fight foreign-flag competition without also fighting a U.S. Government airline; second, we should be encouraging the growth of U.S. international civil airlift because the greatest defense need is

for long-haul transport planes capable of spanning the oceans.

We can get more airlift at less cost by building up civil airlift than we can by building up Government airlines.

Instead of competing with our international airlines, and forcing them into destructive rate practices, the Defense Department should follow outside, as well as inside the continental United States, its own directive 4500.9 that its huge economic resources "will not be employed in such manner as will adversely affect the economic well-being of the commercial transportation industry."

Our own Appropriations Committee, in House Report No. 2104 of the 84th Congress, 2d session, by Mr. MAHON, stated:

In this regard, President Eisenhower's Air Coordinating Committee 1954 report on air policy (p. 17) had this to say:

"The Government should to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of the U.S. air carriers."

The committee strongly endorses that statement.

How big is the "existing unutilized capacity of U.S. air carriers," to quote our own Appropriations Committee report?

I have taken a survey individually, of all U.S. civil airlines, large, small and medium ones, asking them to tell me how much unused space they expect to have during the fiscal year ending June 30, 1960, to transport additional military traffic.

#### AMPLE CIVIL AIRLIFT CAPACITY

A tabulation of the replies received indicates that these civil airlines expect to have over 1.3 billion ton-miles of capacity during fiscal year 1960 to carry extra military traffic.

The tabulation shows U.S. flag civil airlines have more than enough airlift to carry all the passengers and cargo now transported by the Military Air Transport Service.<sup>1</sup>

I am inserting this tabulation immediately following my speech. It is noteworthy how many of the airlines point out that they can do the peacetime air transport job cheaper than MATS can,

<sup>1</sup> MATS lift on MATS (Government-owned and Government-operated) planes for next year—fiscal year ending June 30, 1960—is estimated at—

	Ton-miles per year
Passenger ton-miles—	252,998,000
Cargo ton-miles—	873,025,000

Total— 1,126,023,000

(House Defense Appropriations hearings for fiscal 1960, pt. 4, p. 922.)

The total estimate of the civil airlines replying to my questionnaire as to the ton-miles of unused space available to fly additional military traffic for the same period (fiscal year ending June 30, 1960) show: 1,300,000,000 ton-miles or more than enough unused space to carry all the traffic which MATS is planning to fly.

Based on a similar survey in the House Defense Appropriations hearings for fiscal 1958, pt. 2, pp. 1711-1718, inclusion of those civil airlines which have not yet replied to my questionnaire would double the above estimate of unused civil airlift.

Consequently, it can reasonably be concluded that the whole U.S. civil air transport industry has more than twice enough unused space to fly all the passengers and cargo which MATS will move.

and no one in the Defense Department has seriously challenged these assertions.

We can get more airlift at less cost by building up civil airlift than we can by building up Government airlines.

It impresses me that the more the U.S. civil air fleet can be enlarged the greater will be our national airlift capacity to cope with emergency or wartime requirements.

#### IMPROVE EFFICIENCY

For example, I am struck by the statement of a former Under Secretary of the Army that if all Army peacetime movements were made by air there would automatically be available for duty at any one time an entire additional division of troops.

Consequently, I feel that the Army, Navy, and Air Force could all, with resultant economies in time, manpower, materiel and money, make far greater use of civil airlift in peacetime than they are now doing.

I do not believe the Defense Department in its peacetime movement of traffic in choosing between surface and air transportation has followed the statement in Senate Report No. 543 of the 85th Congress which was repeated in Senate Report No. 1937 on the present year's appropriation for the Defense Department, namely that:

In evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor.

Nor has there been sufficient implementation of Army Regulation No. 59-5 specifying the use of air transport as a normal mode of transportation to develop a wartime airlift capability and to save the time of soldiers and officers, and in the case of cargo to reduce the procurement in the amount of cargo and pipeline and stockpile. That this directive is not being implemented fully at the present time is shown by the fact that the services are moving some half million passengers by sea across the Pacific compared to only about 90,000 by air.

I believe the increase in airlift capacity called for by the Army generals and by our party's advisory council statement quoted above can be achieved by a rerouting of peacetime military traffic so as to use civil airlift rather than surface means.

#### BUILD CAPACITY IN PEACETIME

It is difficult to see how the airlift capacity needed for an emergency will be available if it is not built up in moving peacetime traffic.

If it is desired by the Department of Defense to have on hand for emergency use additional transport planes over and above those which exist or which would be added to the civil fleet if the Defense Department tripled its peacetime use of the civil fleet, then those planes should be considered additional and should not be allowed to take traffic away from the civil carriers.

It is obvious that a Government-owned and Government-operated transport plane will still be available in the event of war whether or not it carries peacetime loads, but one that is employed in commerce has to receive suf-

ficient revenues to continue to be operated and failing to receive such revenues these planes are liable, as has been too often the case in the last 2 years, to be sold to foreign companies or foreign countries and so they are lost to the U.S. civil reserve air fleet.

A year ago—CONGRESSIONAL RECORD, volume 104, part 3, pages 3490-3491—I pointed out that MATS competition was forcing certain commercial operators to sell their planes to foreign countries where they would be lost forever to the U.S. Civil Reserve Air Fleet, and subsequently I asked the Chairman of the Civil Aeronautics Board how much it would cost the Government to replace these planes and he wrote me:

Between \$9 and \$10 million.

One joint civil-military goal should be the development of a large fleet of cargo planes—of types that are economical in peace and effective in war. Of course the planes should be readily adaptable to military use. If there is no war this fleet will add to peace and understanding through greater and faster world trade, and if there is a war this fleet will deliver our troops to the trouble spot overnight instead of some 17 or 15 days later.

MATS has been far too prone to indulge in luxury passenger planes that could not possibly carry Army tanks or missiles and are difficult to land and take off from small, unprepared areas. What is needed is for the Government to bring about a partnership between the military and civil industry in the development of a large fleet of cargo planes to serve both purposes.

If the Federal Government were to move its traffic on civil airlines, then these lines could buy more planes, and the military would have the use of them in emergencies.

#### NEED FOR GREATER COORDINATION

What is needed is greater coordination between the Department of Defense on the one hand, and, on the other hand, the civil aviation agencies of the Government and the civil air industry.

A year ago I prompted the Defense Department and CAB into activating this joint working group on military use of civil airlift, but it is apparent that the results have been negligible and that no real cooperation exists.

The Chairman of the Civil Aeronautics Board, which is charged by law with encouraging the development of the civil air transport industry to meet the needs of national defense, has written me that the CAB's suggestions to encourage procurement of needed commercial air cargo airlift were apparently not favorably received by the Air Force.

Since the Defense Department has admitted that the greatest shortage is in overseas cargo planes, you would think that the Defense Department would offer as much of its peacetime cargo to civil operators as possible in order to encourage the development of a large overseas air cargo industry. But that is not being done and the Air Force has admitted that they carry 90 percent of the peacetime Government cargo themselves in their own Government-owned and Government-operated airplanes.

The Chairman of the Civil Aeronautics Board went on in his letter to me saying:

It is apparent that the Board's effectiveness in obtaining a greater share of military traffic for civil air carriers is quite limited.

Then finally, the Chairman of the CAB, Mr. James R. Durfee, wrote me:

In the last analysis, this matter is one which has to be resolved by the Department of Defense and the Congress.

It is embarrassing, Mr. Speaker, when one agency of the Government finds itself unable to cooperate with another agency of the Government in what should be a goal of mutual interest.

#### DEPARTMENT OF DEFENSE AGAINST CAB

It develops that the Department of Defense not only has not been responsive to the suggestions of the Civil Aeronautics Board for increasing the amount of Government traffic to be offered to civil air carriers, but also the Department of Defense has even officially proposed to our House Appropriations Committee a one-third decrease in the use of civil airlift, while at the same time asking for huge increases to be spent on their own fleet of Government-owned transport planes. The Defense Department opposes any language in its appropriation bill that would assure a stable and reasonable share of the peacetime traffic to civil airlines.

At the very least the Congress should in the appropriation bill which will be coming before us early next month legislate against any cutback in the use of civil air, provide that \$80 million of MATS funds, as was done in section 634 of Public Law 85-724, be earmarked for civil airlift only so that MATS cannot spend the money on themselves, and, further, to provide that other Defense Department uses of civil air transportation be set at no less than \$300 million per year.

Having forestalled any backward steps in the use of civil airlift we should then point for a tripling in the use of civil airlift to carry out the policy already laid down by the Congress and to carry out the very evident need for additional airlift for national defense.

#### THE PROGRAM

In summary, building up an effective Air merchant marine requires:

First. The Defense Department should follow the policy already laid down by the last three Congresses that the Government should use the unutilized space on commercial airlines before authorizing use of Government-owned airlines.

Second. This policy could be carried out if the Defense Department broadened DOD Directive 4500.9 against Government competition to include all transportation anywhere. MATS should then follow the lead of its sister service MSTs and book over 70 percent of its traffic on civil carriers. If action along these lines is not done, Congress may have to enact permanent law giving preference to private enterprise.

Third. Certainly Army, Navy, and Air Force should make far more use of airlift for normal movements of passengers, cargo and mail. Time is value. Saving time means saving money.

Fourth. The Defense Department should cooperate wholeheartedly with the civil air agencies of the Government and the civil air industry to develop a fleet of cargo planes to meet both civil and military purposes.

Mr. Speaker, I made a statement before the House Defense Appropriations Subcommittee on the importance of increasing, instead of decreasing, funds for use of civil airlift and I want to praise the committee for having, 3 years ago, started the first thorough congressional hearings of MATS administrative aircraft owned by the Government and civil airlift and for having—each subsequent year—stuck to the principle that private enterprise should be used in preference to Government transportation for the movement of peacetime Government traffic.

Particularly I have been impressed, Mr. Speaker, by the searching interrogation made annually by the distinguished gentleman from Pennsylvania [Mr. FLOOD] and by the adherence to sound principles expressed by Messrs. SIKES, WHITTEN, TABER, LIPSCOMB, and others and by the clear-cut policy statements made on behalf of the subcommittee by its very able and respected chairman, Mr. MAHON, in House Report No. 2104 of the 84th Congress, 2d session, by the chairman's reaffirmation of the language adopted the year before in CONGRESSIONAL RECORD, volume 103, part 6, page 7735, in House Report No. 841 of the 85th Congress, and by the conference report which adopted the defense appropriation bill for the fiscal year 1959.

#### CONGRESS DESERVES CREDIT

The gains which have been made in reducing Government competition with private enterprise have been made by the Congress, rather than by the executive branch, and by the Committees on Appropriations in particular.

I hope further gains may be made in the fiscal year 1960.

Mr. Speaker, I believe it will be necessary to enact permanent legislation to provide that all passenger, cargo, and mail requirements of the Government of the United States for air transportation shall be procured from U.S. air carriers to the extent the required service is available, is authorized, is adequate, and the rates for such service are reasonable.

I believe that before the Comptroller General of the United States allows credit for expenditures for transportation on Government-owned and Government-operated transport planes, satisfactory proof of the necessity therefor should be furnished by the official authorizing the use of Government air. Of course, I do believe that the applicability of such legislation to a particular department may be temporarily waived whenever the Congress, or the President, declares an emergency exists justifying such temporary waiver.

Throughout our country's history, our Government has built up our civilian merchant marine and relied on it to answer to the most heroic calls of duty in all our wars.

The same treatment which has proved so successful throughout our history should now be accorded to our air merchant marine.

Mr. Speaker, under unanimous consent I am having the following materials printed following these remarks:

First. Summary tabulation of replies which I have received from U.S. flag civil airlines as to the amount of unutilized space which they expect to have available during fiscal year 1960 for flying additional military traffic.

Second. Copy letter to me from Deputy Director of Legislative Liaison, Air Force, showing they have already obligated approximately \$71 million for commercial airlift out of the \$80 million set aside in section 634 of the Defense Appropriation Act for fiscal 1959.

Third. Syndicated column by S. L. A. Marshall of the Detroit News as it ap-

peared in the Paris edition of the New York Herald Tribune, March 28, 1959.

Fourth. My exchange of correspondence with the Department of Defense and with S. L. A. Marshall—who is a brigadier general, USAR—on above column.

Fifth. Three articles from the Taxpayer, published by the Citizens Public Expenditure Survey.

Summary of replies to Congressman Charles O. Porter's questionnaire on the unused space available on U.S.-flag civil airlines for moving additional military traffic for the year ending June 30, 1960

Company (alphabetical order)	Space available for military traffic for year ending June 30, 1960			Industry comments (extracts from airline telegrams or letters)
	Ton-miles	Dollars	Passengers or cargo and routes	
AAJICO (Florida)	27,000,000 21,000,000		Domestic cargo..... Overseas passenger or cargo, either Atlantic or Pacific.	<p>MATS should concentrate on the movement of heavy or bulky cargo not suitable for transportation by commercial carriers; on the movement of military personnel and cargo in support of SAC missions; on the movement of secret military cargo and services to remote or secret military installations and on the maintenance of air communications services, rescue services, weather services, photographic and charting services and the like. On the other hand, the civil air carriers should supply the airlift requirements for the movement of dependents, civil service personnel, military personnel for routine replacement, refugees and ordinary air cargo * * * Congress should enact legislation during this session which would require the Department of Defense to utilize civil air carriers for at least 50 percent of their transportation requirements.</p> <p>The Government's policy of not competing with private business should be extended to the airline industry. In event it is necessary that military operate certain transport aircraft these operations should be confined to noncompetitive routes rather than competitive situation as now exists between Seattle and Fairbanks where MATS carrying 52 percent of all available passenger traffic.</p> <p>MATS does not operate in this section of Alaska.</p> <p>MATS currently carries Armed Forces personnel to rest camp in Hilo * * * Suggest policy that would place civil carriers in better position maintain pool of aircraft and trained personnel.</p> <p>Estimates are necessarily theoretical because we need more information on origin and destination of military traffic and cannot predict practical load factors. Policy should be (1) Air Force to determine how much emergency airlift is needed, (2) subtract capacity that can be supplied by civil air carriers, (3) deficit to be met from military sources or "noncarrier" organizations, (4) Air Force should be permitted to fly passengers and cargo as long as "the total daily or monthly flying operation would not exceed the flying hours required for military training and readiness.</p> <p>No significant amount of service by MATS or OTMD LBDFFT is being performed over our routes.</p> <p>It is obviously to advantage of Government to use existing civil air transport capacity to help assure sound international U.S.-flag operation and avoid possible duplication of cost of both Government operation and civil subsidy.</p> <p>Company does not have available at the present time any aircraft for transport activities</p> <p>The conditional proposal of the Defense Department of reduction in civil airlift and greater use of MATS and other Government aircraft could result in a terrific loss of Central's revenue through the following channels: (a) The frequent military traffic to and from over 55 military installations that are located in Central's area. (b) The daily (Monday through Friday) military recruit traffic in conjunction with other airlines coming from Houston, San Antonio, El Paso, and Amarillo to Fort Smith (Fort Chaffee); and from Oklahoma City to San Antonio (Lackland Air Force Base). (c) The seasonal Reserve movements (May 30 to 1st week of September) for the 4th Army area by extra sections and charter movements. (d) The 6 months Reserve traffic (on Sunday only) coming from various points to Fort Chaffee, Fort Sill, Fort Riley, and Fort Carson—all served by Central Airlines. We estimate we can carry as much as 50 percent more military traffic. * * * The military can fly cheaper on Central than on military aircraft.</p> <p>We suggest that contracts on a 12-month basis be negotiated between the Government and the small cargo carriers.</p> <p>We feel Government should not compete with private business in air transport field.</p> <p>Strongly opposed Government competition in air transport field as transport carriers should be strengthened and with CRAF provisions could immediately convert to defense use in the event it was necessary.</p> <p>Unless there occurs through adoption of the Board's [CAB] new policy by the Department of Defense long-term stability in MATS business at a reasonable price, we will be forced to seriously consider the abandonment of our project.</p> <p>We are saving the Government money and time by operating an air taxi service to and from Scott Air Force Base, Ill. This base is headquarters of the worldwide Military Air Transport Service. At the present time for a 1-way trip we are charging \$12 per passenger. I understand that this same trip by staff car had been costing the Government \$44 per passenger, and also took 3 and 4 times longer for the passenger to reach his destination. It would seem to me that any business that can be allotted to the civil carriers, whether small operators like ourselves, or larger airlines, would be able to save the Government money as well as keep a constant reserve of trained pilots and equipment that could be converted for use in case of a national emergency.</p> <p>We do believe the greatest possible use of scheduled airlines by the military is essential.</p> <p>Acceptance of these recommendations [ATA letter to Defense Department Nov. 20, 1958] would provide the Nation with an improved emergency airlift capability, efficient utilization of both civil and military air transport resources and a solution to the problem of MATS competition.</p>
Alaska Airlines (Washington)	4,366,624	\$2,314,431	75 percent passengers and balance cargo.	
Alaska Coastal Airlines (Alaska)				
Allegheny Airlines (District of Columbia)	5,500,000	6,000,000		
Aloha Airlines (Hawaii)	2,276,475	2,502,216	Passengers between Honolulu and Hilo, Kona, Maui, and Kauai.	
American Airlines (New York)	333,000,000 175,000,000		Passengers..... Cargo.....	
Bonanza Air Lines (Nevada)	5,300,000			
Braniff Airways (Texas)		1,049,000	International passengers and cargo, and mail.	
California Eastern Aviation (District of Columbia)				
Central Airlines (Texas)				
Central Air Transport (California)	12,300,000	2,500,000	Passengers and cargo, transatlantic (or Pacific).	
Chicago Helicopter Airways (Illinois)	364,077	1,227,896	Passengers and cargo, within 60-mile radius Chicago.	
Continental Airlines (Colorado)	135,000,000 50,000,000	40,000,000 12,500,000	Passengers..... Cargo.....	
Delta (Georgia)	12,325,000		Delta's domestic and international routes.	
Hawaiian Airlines (Hawaii)	10,200,000	2,835,000		
Hempel Helicopter & Air Taxi (Missouri)				
Mohawk Airlines (New York)				
National Airlines (District of Columbia)	152,900,000	81,650,000		

Summary of replies to Congressman Charles O. Porter's questionnaire on the unused space available on U.S.-flag civil airlines for moving additional military traffic for the year ending June 30, 1960—Continued

Company (alphabetical order)	Space available for military traffic for year ending June 30, 1960			Industry comments (extracts from airline telegrams or letters)
	Ton-miles	Dollars	Passengers or cargo and routes	
North Central Air Lines (Minnesota).	19,000,000	15,000,000	Passengers and cargo over our entire system.	<p>It would be much more economical for the U.S. Government to continue using the services of the scheduled airlines to the maximum extent of available payload to MATS and other Government aircraft. It is our firm belief that if commercial aircraft is used to the maximum extent possible it would help to strengthen the position of the commercial airline industry in the United States and therefore would be in the best interest of the Nation's defense and economy.</p> <p>In view of the size of our unused capacity figures, we are concerned by the indication in your wire that the Defense Department proposes sizable reduction in civil airlift and greater use of MATS and other Government aircraft. This brings up the traditional MATS argument that carriage by MATS itself is more economical than use of the certificated airline services. The inherent fallacy of this argument is the fact that MATS' operating costs have never been fully analyzed on a basis which would reveal a proper comparison with commercial airline costs. If full MATS' operating costs, including depreciation and total personnel costs, were ascertained, we are certain they would exceed comparable commercial airline costs.</p> <p>• • • we feel strongly that such [MATS] competition has hindered development of a strong civil air transportation system, particularly in the Pacific area where Northwest conducts its international service. We have frequently had occasion to review the published timetables of MATS and find that the frequencies of service and total lift capacity far exceeds that of the 2 certificated flag carriers combined. As noted above, development of certificated air transportation in the Pacific has undergone a much slower growth than in the Atlantic due to the different economic and cultural conditions existing in the Orient. The great stake which the United States has in improvement of economic and social ties with the Orient requires the maximum development of a strong commercial air service in this area. To the extent that development of traffic flow by an extensive military air service, such commercial and economic progress is definitely hindered. Further, to the extent that military air transport services are conducted on a parallel basis with certificated commercial services operating with unused capacity, there is wasteful duplication of expense and, consequently, of the taxpayers' money.</p> <p>This [increased use of airlift] obviously means that the present [military] force can be more effective, or a smaller force with a smaller payroll can be equally effective.</p>
Northeast Airlines (Massachusetts).	23,605,000 46,418,000	10,481,000 27,387,000	Cargo Passenger	
Northwest Airlines (Minnesota).	32,520,000	19,382,000	International and overseas routes. Does not include continental domestic operations. Trans-Pacific; States-Alaska; Seattle/Portland-Hawaii.	
Overseas National Airways, (District of Columbia).	48,000,000	12,000,000	Passengers and cargo, Atlantic or Pacific.	
Pacific Northern Airlines (Washington).	6,361,414 6,220,500	3,367,111 1,458,707	Passengers Cargo On Seattle Anchorage route parallel to McChord AFB, Wash.; to Elmendorf AFB, Anchorage, route of MATS.	<p>Transportation of nonstrategic cargo and personnel can be provided less expensively by commercial carriers than by Government.</p>
Panagra (New York)	14,741,000 3,159,000	11,358,000 1,658,600	Passenger Mainline route from Balboa, Panama Canal Zone, to Buenos Aires, Argentina, and for its domestic routes in Ecuador and Bolivia.	
Riddle Airlines (Florida)	32,000,000		Cargo, domestic (if MTMA, logair not renewed).	<p>Riddle Airlines negotiating procurement of additional new jet-powered equipment for common carriage operations which would make available in late 1960 an additional 16,000,000 ton-miles capacity through utilization of replaced aircraft.</p> <p>We appreciate your efforts.</p> <p>We are opposed to competition by the Government with private business in the air transportation field.</p> <p>TWA urges the adoption of a congressional policy directing the military use of civil air transport for not less than 50 percent of military air traffic movement to reduce the serious competitive impact of the MATS operation.</p> <p>Precedent for such action already exists. Such a split of military traffic surface movement between MATS and private U.S. ships is in effect. The extension of that sound policy to air movement and the resulting increased use by the military of civil air carriers for peacetime traffic will insure an expanded civil air fleet to serve the national defense in any emergency.</p> <p>MATS should use the civil carriers for the bulk of the normal lift required month in and month out and MATS should then supplement the civil carriers during peak periods.</p> <p>We would object vigorously to an expansion of MATS operations in the event there were plans to install additional operation bases within Idaho, Oregon, or Washington which would have the effect of reducing present military traffic moving via West Coast.</p> <p>It would be unwise for the Government to build a bigger and more costly operation for MATS which would be competitive to present airline operations and retard the expansion of this important industry which is not only valuable in peacetime but valuable in time of war.</p>
Southern Airways (Georgia) Trans-Texas Airways (Texas)	6,438,900	4,380,000	Passengers and cargo	
Trans World Airlines (New York)	31,900,000 44,500,000	18,500,000 17,800,000	Passengers—New York, London, Frankfurt; New York, Paris (both directions). Cargo—New York, London, Frankfurt; New York, Paris (both directions).	
Twentieth Century Airlines (California).	50,544,000	10,108,800	Passengers or cargo. Could cover most any portions of the MATS routes.	
West Coast Airlines (Washington).				
Wien-Alaska Airlines (Alaska).	1,648,213	1,742,161	Fairbanks to Fort Yukon, Barrow, Galena, Nome, Kotzebue and such beyond points as Cape Lisburne, Wales, Northeast Cape.	<p>We have been forced to severely curtail our transportation activities during the past year principally because of lack of military contract business • • • We recommend that legislation be enacted which would require DOD to set aside at least 50 percent of its total airlift business for civil air carriers • • • Civil air carriers can serve normal airlift requirements of Army, Navy, and Air Force better than MATS because MATS may abandon normal airlift services in times of crisis.</p> <p>Through an expanded program of utilizing and building a larger civil aircraft fleet, a network of air logistics could be set up for the combined needs of the Department of Defense and the American public; in so doing mobilization in an emergency would already be in effect offering the ultimate at a critical time when the citizens of this great country are for the 1st time in history digging out of the rubble and havoc brought by enemy destruction.</p>
World Airways (Washington).	6,000,000		Passengers or cargo	
Zantop Air Transport (Michigan).	7,008,010	1,261,440	Cargo	
<b>Total for all airlines replying to questionnaire.</b>	<b>1,335,596,213</b>	<b>308,462,762</b>		

<sup>1</sup> Ton-miles per year.

DEPARTMENT OF THE AIR FORCE,  
OFFICE OF THE SECRETARY,  
Washington, April 22, 1959.

HON. CHARLES PORTER,  
House of Representatives.

DEAR MR. PORTER: I refer to your letter of 16 April 1959 in which you requested information on the latest MATS call contract awards for commercial augmentation as announced in "Aviation Daily" of March 26 and April 15, 1959. In addition you asked how much of the \$80 million as set aside in section 634 of the Defense Appropriations Act for Fiscal Year 1959 for purchase of commercial airlift has now been obligated.

I am pleased to forward herewith a copy of the Summary of Abstract of Negotiated Call Contract Awards made by MATS for the period April, May and June 1959. You will note that awards made on 23 March 1959 totaled \$5.7 million and the awards made on 1 April 1959 totaled \$2.2 million. MATS has obligated a total of \$70.7 million on commercial augmentation contracts as of 3 April 1959. Attached for your information is a summary and breakout of the fixed, call and common carriage contracts awarded during Fiscal Year 1959.

I trust this information will be helpful to you and if I can be of any further assistance to you, please do not hesitate to call on me.

Sincerely yours,

W. P. FISHER,  
Major General, USAF,  
Director, Legislative Liaison.

[From the New York Herald-Tribune, Paris edition, Mar. 28, 1959]

#### THE SCREAMING EAGLES

(By S. L. A. Marshall)

NEW YORK.—There's more to U.S. military policy than meets the eye and less substance in the U.S. military position than might be surmised from poking a finger gently into one of its tougher ribs.

As a showcase for STRAC, the 101st Airborne Division, stationed at Fort Campbell, Ky., reflects the strength of the Army at its present-day best as well as the operational weakness which comes of grudging support from the outside. The President, in his talk about Berlin, boasted that "STRAC is ready and able" to strike promptly.

STRAC is the Strategic Army Corps, the body of four divisions kept within the United States which was formed around the idea of being ready to go anywhere on the globe in a hurry and hit hard.

It was to be the Army's thunderbolt in this atomic age when swift smothering of a small fire could be as important as the power to expand a large one until continents are fried to a crisp.

The Army has labored hard to ripen fully STRAC's early promise. The corps is not shriveling for lack of manpower. In inventory of training facilities and fighting equipment it has been more favored than other Army tactical forces based on the United States.

Even so, of the four divisions, only the 101st today could be honestly labeled: "Relatively Ready for Immediate Use." The 82d Airborne is shaking down, after rotating battle groups to and from Europe. The 1st Division is training packets of men for overseas replacement. Though fleshed out, the 4th Division is not by design a highly mobile, fire-brigade type of instrument.

Without disparaging the others, one may fairly say that as of this hour the Screaming Eagles are as well primed and as ready to go as anything in the Army. The division trains hard; its people look strong and confident. Measured by soldierly appearance, the unctilious salute, the A.W.O.L. rate, and the other customary criteria, the 101st has that polish which spells military fitness.

In fact, one statistic suggests that the Eagles are too ready to die to be content with

drillyard routine. In the past year 42 of them have spent their young lives in high-way accidents.

In the operations room is a chart showing that the 101st could pack up, become airlifted and, as a body, go on the way to war within less than 24 hours after the gong rings. It is no idle boast. The division could do just that; it has readiness in a degree never before possible in the Army.

But as to what that signifies finally in terms of greater security to the Nation, we had best forget it for it doesn't mean a thing. On the same chart there is another planning figure showing over what period an airlift might be available to pick up and ferry this one spearhead outfit.

The figure is 17 days. Unlike the estimate of division readiness, this is not a real but a synthetic figure, expressing an optimum hope. The fact is that nobody knows the factors in this problem, either at Fort Campbell or among the Joint Chiefs or in Secretary McElroy's office, though from the latter source has come the comforting assurance that the U.S. airlift capacity is adequate.

The Air Force, the Navy, the commercial airlines, the Army itself, all have a part of the cargo-carrying capacity which might be pressed into airlift come a sudden emergency overseas which called for the most as fast as possible. But it is not systematically studied, much less inventoried, regulated and periodically recapitulated so that the commanders and logisticians may know how things stand. Why it is not done remains a mystery, and so long as the mystery lasts the long-range mobility of U.S. combined forces is "X".

But the 17-day figure is worth pondering. In that length of time a division could go by train to a port, board a liner and cross either ocean. So a cynic might comment that, in the realistic terms of movement, the United States, though heavily blessed with flight power in this air age, still lacks a military airlift.

In view of its current role as the vanguard of Army strike power, and in light of the rising threat in Germany, the 101st Division reflects in yet other ways the backing-and-filling in higher policy which creates instability.

It is bad enough that the Army is being cut back as a whole to an extent which will make STRAC anemic; the Congress voices its alarm at the prospect. The little noted, but possibly more ironic fact is that the Screaming Eagle Division—the one sharp Army instrument for immediate use—is replacing trained men which it need not lose with green recruits at the rate of 500 a month.

The imposed policy is perhaps designed to keep the fire brigade administratively flexible; its essence is that if an enlisted member of the division has less than 90 days to serve he can apply for and get immediate discharge.

Because young Americans like any deal where they seem to get something for nothing, the effect of that offer is to prompt an exodus of eligibles who otherwise might do their last 3 months, then try a second hitch. In consequence the reenlistment rate of the division has dropped from 64 to 16 percent. Besides being wasteful of dollars, it superinduces a measure of immaturity in the units which otherwise wouldn't be there.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., March 31, 1959.

The Honorable NEIL McELROY,  
The Secretary of Defense,  
Washington, D.C.

DEAR MR. SECRETARY: On my recent trip overseas I noticed the attached article from the Paris edition of the New York Herald-Tribune on March 28 by S. L. A. Marshall.

Is it correct that it would take some 17 days to airlift the 101st Airborne Division,

with its equipment, overseas in event of a brush fire war?

In addition to answering this question, I would appreciate your comments on this column together with any indication of what is being done or planned to increase the national airlift.

Sincerely yours,

CHARLES O. PORTER,  
Member of Congress.

OFFICE OF SECRETARY OF DEFENSE,  
Washington, D.C., April 7, 1959.

HON. CHARLES O. PORTER,  
House of Representatives.

DEAR MR. PORTER: This is in reply to your letter of March 31 to the Secretary of Defense in which you requested verification of a statement appearing in a recent newspaper article asserting that 17 days would be required to airlift the 101st Airborne Division overseas in case of an emergency.

In the column referred to in your letter, the writer has, of course, expressed his own opinions in general terms relative to the matter of airlift. I have obtained the following information from within the Office of the Secretary of Defense.

During the past year, the Secretary of Defense, the Joint Chiefs of Staff, and the three services—Army, Navy, and Air Force—have devoted considerable time and attention to our airlift capabilities and requirements.

In fact, 18 different studies were prepared by the strategic planners of the Joint Chiefs of Staff, working with the strategic planners of the three services, and presented to the Joint Chiefs of Staff, and through them to the Secretary of Defense. These studies were related to various contingencies which might be expected to develop throughout the world and were based upon approved contingency plans for movements of troops to various world areas of possible conflict.

Even though a great deal of progress has been made during calendar year 1958, we are continuing to study our airlift requirements and capabilities, and are working with other agencies of the Government to refine our requirements and improve our capabilities.

Accordingly, it is indeed a misstatement of fact when Mr. Marshall writes in his column, "The fact is that nobody knows the factors in this problem, either at Fort Campbell or among the Joint Chiefs or in Secretary McElroy's office."

In discussing the figure of 17 days in his column, Mr. Marshall states that this is the period over which an airlift might be available to pick up and ferry the 101st Airborne Division. Our contingency plans indicate that we have the capability to lift this division, and other high priority essentials of a classified nature, to selected trouble spots in less than 17 days. Therefore, it is not correct to state that it would take some 17 days to airlift the 101st Airborne Division, with its equipment, overseas in the event of a brush fire war.

Sincerely yours,

CARLTON R. ADAMS,  
Captain, USN, Director,  
Office of Legislative Liaison.

THE DETROIT NEWS,  
Detroit, Mich., April 18, 1959.

HON. CHARLES O. PORTER,  
House of Representatives,  
Washington, D.C.

DEAR MR. PORTER: I am grateful for the interest you are taking in this matter. It will take the efforts of many people working in one concerted direction to achieve the essential object.

This is to say that if you are satisfied with the D/D reply, indeed I am not. I have seen too many "bedbug" letters sent off by staff officers in my time; further, I have too many times been on the anxious seat, where



we knew our problem was not solved, but where we were also required to say in response to a restive inquirer that all things were being done adequately and in order.

I would still stand on the figure I gave, because that is the working figure of the logisticians who deal with this problem. My feeling is, however, that it is probably on the optimistic side. But who really knows? At the time of the Lebanon crisis and in the weeks that followed, the commanders who were most vitally concerned in the operation still did not know that what airlift would be available to them if their needs suddenly expanded. They merely knew what they had in hand for the going operation.

From Gen. Maxwell Taylor on down, I do not know one Army officer who feels either that airlift is adequate or that its exact availability in terms of national potential is defined, though it is probably definable. That is plainly implied in General Taylor's speech made at Pasadena in December; yet he is a member of the JCS.

I am not unfamiliar with such problems—meaning those related to large-scale logistical requirements. During World War II, I was Chief Historian, European theater, and again in Korea, some of my responsibilities were in this field. It is never easy to take issue with the establishment. I don't do it to be a gadfly but because I feel that certain of our military shortages are parlous to all we hold dear.

Sincerely yours,

S. H. A. MARSHALL,  
Brigadier General, USAR.

OFFICE OF SECRETARY OF DEFENSE,  
Washington, D. C., May 4, 1959.

HON. CHARLES O. PORTER,  
House of Representatives.

DEAR MR. PORTER: This letter is in reply to your letter of April 28, 1959, in which you request that we investigate the statements contained in Mr. S. H. A. Marshall's letter of April 18, 1959.

It is regretted that Mr. Marshall is not satisfied with the Department of Defense answer of April 7, 1959. However, the Department of Defense has reviewed our original letter and it is believed that this letter adequately answers Mr. Marshall's request for information.

Most sincerely,

GEORGE W. VAUGHAN,  
Assistant to the Secretary (Legislative  
Affairs).

[From the New York State Taxpayer, June 1958]

#### INDUSTRIAL FUND PLAN ENDS FREE RIDES ON MATS PLANES

The Military Air Transport Service is finally being placed on an industrial fund operating basis which means, according to Representative DANIEL J. FLOOD of Pennsylvania "there will be no more free rides on MATS. They will have to be paid for by those who are riding on them for official business."

MATS competition with commercial airlines has long been a sore spot with taxpayers. Although it has been repeatedly demonstrated that commercial airlines can carry goods and passengers more efficiently and at less cost to the taxpayers, MATS in recent years has ignored congressional directives and recommendations of the Hoover Commission that it should use "to the greatest extent practicable" the unutilized capacity of the commercial air carriers.

#### FORCED OUT OF BUSINESS

The effect of this increased Government competition with commercial lines was brought into sharp focus recently by Representative CHARLES O. PORTER of Oregon who declared: "By allowing MATS to take away

traffic that should be carried by commercial airlines, the Administration has put several commercial airlines out of business and threatens to cut down several more."

In a House debate on defense appropriations earlier this month, Congressman FLOOD said that he has finally been assured by Assistant Air Force Secretary Dudley C. Sharp that the Defense Department would increase its "purchase of civil airlift on international and overseas routes" by about 20 percent in the next fiscal year.

#### "WORK IS NOT OVER"

Mr. FLOOD warned Congress, however, that "our work is not over." He noted that the Defense Department "has more transport planes outside MATS than have been coordinated into MATS. So, free rides will, presumably, continue on the other half of the Department of Defense fleet."

He explained that the Air Force has admitted operating some 573 "administrative, executive or special mission" transport planes. "We have ground rules on who can have limousines and chauffeurs at the public expense," Congressman FLOOD declared, "but it looks as if the sky's the limit with these million-dollar aerial limousines."

#### "AN AWFUL BOONDGGLE"

"Think of it. Why, if you gave two private planes to the President and one to each member of the Cabinet that would only add up to 11 planes. What is the justification for the other 561 executive planes? Who else gets to have one of these plush jobs? This looks like an awful boondoggle."

"They may be fine for taking Assistant Secretaries or high brass in comfort—and at no expense and with no accounting—up to hunting lodges in Alaska or things like that, but I do not think a fleet of this size can be justified."

#### "WHY A WHOLE PLANE?"

"If some general has some genuine official business to be done somewhere, I am sure the Government can buy him a ticket on an airline. The taxpayers don't have to provide him with a whole plane."

"The Hoover Commission stated: 'The number of administrative aircraft should be drastically reduced.'

"The Pentagon disagreed, said they were needed to fly people 'to isolated areas' and 'to move traffic which for security reasons must be transported in these administrative aircraft.'

#### "HOW MANY SECRET MISSIONS?"

"Well, I am sure there are a number of secret missions by Government officials, but not that many."

"And speaking of security, do they not trust the commercial airlines? Do they not trust MATS? Do they mean we have to pay for another fleet of transports in addition to MATS because riding on MATS is not sufficiently confidential?"

"I am looking into this whole question. I want the Defense Department to know that."

#### "WE ARE NOT THROUGH"

"The chances are that the Congress will have a lot more work to do in this field. We are not through by any means."

"This type of luxury living does not increase our war potential. It just wastes our money."

[From the New York State Taxpayer, May 1958]

#### MATS PUTS 'EM OUT OF BUSINESS

Competition by the plush Government-owned and Government-operated airline, the Military Air Transport Service (MATS), is reducing the vital civil reserve air fleet by 14 four-engine planes, Representative CHARLES O. PORTER, of Oregon, declared last month. "By allowing \* \* \* MATS to take away traffic that should be carried by com-

mercial airlines," he stated, "the administration has put several commercial airlines out of business and threatens to cut down several more." If the Government had to replace these planes that are being sold off, mostly to foreign countries, it would cost the Nation's taxpayers between \$9 and \$10 million.

[From the New York State Taxpayer,  
June 1957]

#### UNITED STATES OPERATES LUXURY AIR FLEET

If you were a farmer and gave your daughter \$5,000 to go out and buy the best kind of truck to haul farm machinery about in, you would probably rest assured that she would bring home the proper truck and not a plush Jaguar convertible. But, Congressman DANIEL J. FLOOD, of Pennsylvania, pointed out recently that some of the boys in the Pentagon would probably not be equal to such a task.

It seems that the Air Force was given \$110 million during the first year of the Eisenhower administration to buy a fleet of planes capable of carrying Army tanks. Well they didn't buy Jaguars, but in a sense purchased their air equivalent, 6 dozen pushed up DC-6 passenger planes instead of the tank-carrying cargo planes. They called it reprogramming. Congressman FLOOD labeled the act "misappropriation."

Congressman FLOOD in noting this added that if "our hypothetical farmer's daughter made the mistake of blowing the \$5,000 with which she was supposed to buy a farm truck she probably would have a feeling of guilt about it to make amends."

"Not so with the Air Force," the Pennsylvania lawmaker notes.

"They display no sense of shame whatsoever about this boondoggle," he lamented. "When confronted with the recommendations of the Hoover Commission, the directives of our congressional committee inveighing against competition with the private enterprise and general wastefulness of the taxpayers' funds, these gentlemen in the Air Force say, 'Well, we have got them now, and we are stuck with them so we had best fill them up a little bit by taking business away from commercial airlines.'"

This is only one example of how the Military Air Transport Service, known affectionately as MATS, has mushroomed in size so that it now operates approximately 1,500 airplanes. This outstrips all of the U.S. domestic commercial airlines with their combined total of 1,212 planes in operation.

The really sad feature of this extravagance is that it costs the taxpayers an estimated \$1 billion a year to operate the Government-owned airlines while defense hearings for fiscal 1958 indicated that commercial airlines would have more than \$900 million in unused space available for military use for this same period of time.

It has been pointed out that while it cost the Government \$795 per hour to operate the military equivalent of the DC-6 the taxpaying civilian airline cost for operating the same plane is \$650 per hour. Use of commercial lines, where possible, would not only reduce the size and cost of this mammoth air fleet but also reduce the amount of subsidies required to maintain the private airlines.

The Government operated airline, with total assets over \$1.4 billion provides service to practically every corner of the world regardless of the existing parallel routes of commercial airlines.

The Hoover Commission disclosed that an Air Force band was flown once a month from Westover, Mass., to Bermuda. The Air Force justified the flights for morale purposes, noting that there was no band in Bermuda.

Placing the morale issue aside, the Commission noted that two commercial airlines

operated flights that could have carried the same load over the same route at less cost to the taxpayers.

The Hoover Commission has further noted, that the \$42.9 million airline subsidy for fiscal 1954 could have been reduced by 88 percent if the airlines had flown only 25 percent of the passengers and 50 percent of the mail moved by MATS over this same period.

The intent of Congress for fiscal 1958 that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use the existing, unutilized capacity of United States air carriers has been established. It remains now to be seen how the operators of military transportation will try to adhere to this established intent and refrain from trying to build up the plush operations of the military air fleet.

#### PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, on rollcall No. 46 I was unavoidably detained. Had I been present, I would have voted "yea." I ask unanimous consent that the RECORD so indicate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### LIMITATION OF \$50,000 ON CCC LOANS

Mr. MICHEL. 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 Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, I am delighted with the earlier vote today recommitting the agricultural appropriation bill with instructions to write into the bill, in effect, a denial of any funds to process CCC loans in excess of \$50,000.

On short notice, it is difficult to get from the Department of Agriculture the figures which could shed some light on precisely what the effect of this limitation would be, but so far as I can determine for only those commodities and States serviced by the Kansas City Data Processing Center 222 loans would be involved, exclusive of cotton and tobacco. These 222 loans total \$30,732,000. By simple arithmetic, if we subtract the first \$50,000 of each of these 222 loans from the total figure, we have a net figure of \$19,632,000 affected by the limitation. The Agriculture Department estimates there is at least this much more involved in those commodities for which exact figures were not readily available. This gives in the overall, then, a dollar figure approximating \$40 million.

Mr. Speaker, while this language change is not perfect and will undoubtedly be refined in the other body to exempt farmer cooperatives the intent and purpose of this limitation is good and certainly puts us in the position of taking a step in the right direction. As a matter of fact I am reminded of a message from the President relative to agriculture dated January 9, 1956, which reads as follows:

The average size of farms in American agriculture, as measured by capital or by

acres, has rapidly increased. To the degree that this trend is associated with the development of more economic and more efficient farm units it is in the interest of farm families and of the Nation. To the degree, however, that it has resulted in the removal of risk for large farm businesses by reason of price supports, it is much less wholesome and constitutes a threat to the traditional family farm.

Under the price support machinery as it has been functioning, price support loans of tremendous size have occasionally occurred. It is not sound Government policy to underwrite at public expense such formidable competition with family operated farms, which are the bulwark of our agriculture.

I ask the Congress to consider placing a dollar limit on the size of price support loans to any one individual or farming unit. The limit should be sufficiently high to give full protection to efficiently operated family farms.

The language in the motion to recommend was manifestly an effort to carry out such an objective.

#### PREVENTING ENCROACHMENT OF HOLDING COMPANIES IN SAVINGS AND LOAN FIELD

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. SPENCE. Mr. Speaker, yesterday I introduced H.R. 7244 to prevent the encroachment of holding companies into the savings and loan field. This measure is identical with H.R. 4135, which passed the House unanimously 2 years ago, after having the unanimous approval of the Banking and Currency Committee. That bill, instead of receiving individual treatment on the Senate side, was included in the omnibus Financial Institutions Act of 1957, which passed the Senate but died in committee on the House side. In light of that history, the measure I have introduced has, in truth, had the approval of both Houses of Congress, but has failed to become law and must be started anew on its legislative course. Then, as now, it had the support of the Federal Home Loan Bank Board and of the two leagues representing the savings and loan business, although I anticipate that these groups may have some recommendations for refinements to the measure.

I am convinced of the urgency behind this bill, and seek the support of all segments in helping me to speed it on its way to become law. Two years ago I called attention to the imminency of developments in the savings and loan field which would militate against the essentially local character of that business. The acquisition of stockownership in the nonmutual associations which are included in the business has posed the threat that groups of such associations would come under central control of financial interests whose primary concern would be the promotion of stock prices rather than the proper development of the capacity of these institutions to properly serve the needs of their respective communities.

The holding company has no place in the savings and loan field. The strength of savings and loan associations, and the high regard they have acquired, is derived from their local management, local responsibility and local operation. The men who manage these institutions must be familiar with their community needs and maintain a civic responsibility. They must continue to think about what is good for the community and for the home owning families, rather than think merely of possible profit involved. We can hardly expect a holding company owned by people thousands of miles from a community to concern itself with the social and economic objectives of the community.

When I first introduced this bill, holding company operation was in its very infancy. In recent months, though, there has been a wave of new activity of holding companies in acquiring and proposing to acquire savings and loan associations. I understand that six holding companies have been formed in California alone within the past 6 months. When we held our hearings 2 years ago there were but two companies. I am further informed that holding companies have now spread their operations from California to Colorado and Texas.

I have heard another estimate that there are now as many as 20 or 30 holding companies either in operation or in the process of formation.

If we are to retain the savings and loan business as we know it and as it has so effectively served the Nation's homeowners, we must act with great speed. We all recall that the passage of legislation to regulate bank holding companies was made infinitely more difficult because the Congress delayed so long that the holding companies were large, powerful, and well entrenched.

My bill is not a complicated one. It would simply prohibit a holding company from acquiring control of more than one insured savings and loan association. It does not contain the complicated regulatory and tax features of the bank holding company bill. It does not affect holding companies in operation at the time of enactment, although it would, of course, prevent them from acquiring further institutions.

I hope that the Congress will act expeditiously on the matter so that the bill can become law this year.

#### AFRICA FREEDOM DAY

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. DIGGS. Mr. Speaker, on April 15 one of the most stirring celebrations of Africa Freedom Day took place at Carnegie Hall, New York. The event in New York was one of like observance held around the world further focusing attention upon the dramatic and phenomenal drive for African nationalism now taking place on that continent. Other sites of similar gatherings were in our Nation's Capital, in London, in Paris,

capitals of independent African States, and elsewhere.

Peoples of all colors, creeds, nationalities and status filled Carnegie Hall to capacity, paying upward of \$25 for a seat, and lines of persons were turned away. The Africa Freedom Day celebration in New York represented part of the response to a call for such an observance which emanated from the Conference of Independent African States held at Accra, Ghana, in April 1958. Confirmed at the unprecedented assembly of representatives from 28 African countries at the All-African Peoples Conference which I attended in Accra last December, the call designated that:

April 15 should be set aside and called Africa Freedom Day, which all African countries and all friends of Africa throughout the world shall observe as a rallying point for the forces of freedom.

Tom Mboya, described by Life magazine as "the most powerful political personality in Kenya, and among the most important in all Africa," member of Kenya's Legislative Council and secretary-general of the Kenya Federation of Labor, was the principal speaker for the occasion. As a contribution to the African Freedom Fund, a check for \$10,000, partly raised through this effort, was presented Mr. Mboya by the American Committee on Africa, sponsor of the New York celebration.

I should like to call to the attention of my colleagues the speech made by Mr. Mboya and the speech made by Gov. G. Mennen Williams, of Michigan, on this occasion. Both put the African situation and African-American relations in proper context. I urgently commend these speeches to the reading of all citizens that we might come to a full appreciation of our national stake in this African cause:

#### AFRICAN FREEDOM DAY

(Address by Hon. Tom Mboya, chairman, All African Peoples' Conference, April 15, 1959)

Mr. Chairman, your Excellencies, ladies and gentlemen, I am glad to be in New York to launch today the worldwide celebration of African Freedom Day. April 15 was decided upon as African Freedom Day at the first Conference of the Independent African States held in Accra in April 1958, and was later endorsed by the first All-African Peoples' Conference, also held at Accra in December of last year. These conferences marked the discovery of Africa by Africans. This is in complete contrast to the discovery of Africa by Europeans in the 19th century.

What is this Africa and what do we mean by the word "freedom"? This is what many of us are thinking and talking about today throughout the world. Africa is still associated in the minds of many people in the United States and some European countries with the 19th century. They think of the dark continent, the jungles, the wild beasts, the Africa as presented to them by Hollywood—the fierce, ignorant, or merrily and furiously dancing tribesmen. Little is it realized that Africa, too, shares in what we call the 20th century: modern cities, schools, roads, airfields, houses, cars, and so on. As we celebrate this day, therefore, we might usefully stop and ponder these questions.

Africa desires to be understood and to be recognized from the viewpoint and perspective of her own people. Africa is no longer willing to be referred to as British, French, Belgian, or Portuguese Africa. Africa must

create and assert her own personality and speak for herself. She cannot be a projection of Europe nor any longer permit herself to be interpreted or spoken for by self-appointed interpreters.

It was this conviction that moved African statesmen and political and trade union leaders to hold the two conferences at Accra that will no doubt mark out 1958 as Africa's year.

#### AFRICA EMERGENT

The Conference of Independent African States marked the birth of the African personality. The representatives of the African states at Accra unanimously agreed on the need for Africa to rise and be heard at all the councils of world affairs; and to effectuate this objective they created the Organization of African States, which now consults on all questions affecting Africa before the U.N., and which represents the united will of all Africans on such issues. Equally important was their decision that Africa's total liberation was the task for all Africans.

To implement the latter decision non-governmental representatives of African people from the entire continent met at the All-African Peoples' Conference in Ghana last December. That conference gave birth to the African community. By unanimous vote all 500 delegates from political parties, nationalist organizations, trade unions, and similar groups from every part of Africa—agreed to work together in full cooperation for the total liberation of all Africa.

Thus both conferences were characterized by a spirit of unity based upon same, predominant concepts and ideals—above all, those expressed in the common purpose: independence for all Africa. There was agreement that the independence of one territory is incomplete and meaningless unless it is accompanied by total independence for all territories. This, indeed, was but the practical application of the moral principle expressed earlier and more elegantly that "no man is an island," and less elegantly but in language every American recognizes that "we must all hang together lest we hang separately."

The year, 1958, also saw the inauguration of the United Nations Economic Commission for Africa at Addis Ababa in Ethiopia. This marked, in fact, the U.N.'s functional recognition of Africa's legitimate place and role in the world's economic and social community and was another useful addition to the 20th century discovery of Africa. It provided a long delayed vehicle for Pan-African economic planning and coordination.

There are those who complain that the discovery of Africa and the African personality and community by Africans is taking place at too fast a pace. Such people should be reminded that Africa is many years behind the rest of the world and that, in these circumstances, we cannot afford the luxury of wasting time. They might well remember the old but true adage that "he who is behind must run faster than he who is in front." In the case of Africa we do not only have to run faster but we have, at the same time, to try to avoid the mistakes and pitfalls of those who "run before us," a considerable addition to our task. Let any believe we are really running too fast, let me recall to them that colonialism has existed in Africa for over four centuries.

Most people seem to agree that colonialism is on its way out. It is, therefore, doubly difficult to understand why nations which are signatories to the United Nations Charter and which have committed themselves to the Declaration of Human Rights have not found it possible to give effective support to the African's struggle for freedom. Most of them have been noted for their compromising attitude and their desire to please the colonial powers or each other at the expense of democracy and human rights. How can anyone honestly believe that a compromise

is possible where human rights, democracy and Christian ideals are concerned and still expect the African to have confidence and faith in him?

Of 220 million Africans only 70 million live in independent states free of white minority domination. The rest have yet to be liberated from colonialism and European domination. Surveying the situation of the 50 million people still not free one will immediately see what the African talks about when he condemns colonialism and European settler domination.

#### THE KENYAN SITUATION

Take my own country, Kenya. Until the Mau Mau eruption, few people had heard of Kenya, and today few understand its basic problems—most of them created by British colonialism.

Politically speaking, the British Government has, through its colonial office, toadied to the European settlers and condoned if not encouraged their domination of every phase of life. Today 60,000 Europeans are, under the present constitution, represented by the same number of elected members (14) as are the country's 6 million Africans. Although the Europeans have since 1923 voted on the basis of universal suffrage, Africans are restricted to an entirely arbitrary, multiple vote franchise, which is unrelated not only to the standards for white and Asian voters, but also to those set for African voters in surrounding British territories. Thus the bewildered Kenya African may vote if he has an annual income of \$336, and may cast no more than two additional votes if he meets certain other requirements, whereas in adjoining Uganda, literacy in the vernacular is enough to qualify an African to vote, but he is, however, never entitled to a multiple vote. On the other hand, the income requirements for African voters are \$420 in Tanganyika and \$2,100 in the Rhodesias. Such standards, arbitrary in the extreme, have served only to suggest to Africans in Kenya and elsewhere that they are being cheated and frustrated in their basic democratic right of franchise.

Economically, the Government has until recently, forbidden Africans to raise the profitable cash crops (coffee, tea, sisal, etc.), and even now it subjects them to discriminatory licensing, credit, and other restrictions, which are not applied to Europeans. Far more serious to the Africans, the Government has reserved the entire cool, fertile highlands for white settlers only—refusing to allow Africans to farm even unoccupied sections—while as many as 700-900 Africans are crowded per square mile onto the poor semidesert areas not wanted by the whites.

Socially, segregation still prevails in far too many areas, particularly in such presumably public facilities as schools and hospitals. Discrimination in education is singularly frustrating to Africans for they all realize that schools provide the keys to a better and happier life for their children.

Yet while Europeans have compulsory education, education for Africans is neither compulsory nor free. The Kenya government spends \$89.60 per year for each European child's education; for each far more needy African child it spends only \$14.

To add to other grievances, Kenya Africans are now living their sixth year under the state of emergency proclaimed during the Mau Mau uprising. Since its proclamation, thousands of Africans have been arrested and detained—and restrictions upon movement, assembly and the press are still arbitrarily exercised. Shortly before I left Kenya, the police invaded my house in the middle of the night and searched it, suppressed the newspaper printed by the Nairobi Peoples' Convention Party, and arrested scores of party members. About 2,000 political prisoners remain in detention camps, among them Jomo Kenyatta, despite recent

revelations that two principle Crown witnesses were paid \$5,000 and that at least one of them admitted perjuring himself at the trial. To all our representations and appeals, the British Government has turned a deaf ear, and our people, naturally, are becoming more and more restive.

#### COLONIALISM IN OTHER PARTS OF AFRICA

Unfortunately, many other parts of Africa have even more grim and horrible reports to make on conditions under their colonial governments:

Thus the situation in the Central African Federation must disturb everyone who has faith in democracy. In 1953, a federal constitution was imposed on the three territories composing the Federation despite the unanimous objections of the Africans, who constitute a 20 to 1 majority in the area. Nyasaland and Northern Rhodesia, being protectorates, demanded self-government and rejected any union with the segregation-minded Southern Rhodesia Government, but all in vain. Developments since then have shown that the Federation is indeed moving further and further toward the apartheid policies of the Union of South Africa. Britain has lost control over the territories, and the African now must defend himself; witness the recent shootings of 50 or more unarmed Africans, the declaration of a state of emergency based on the pretext of a murder plot about which not one shred of evidence has been produced, and the arrogant deportation from Northern Rhodesia of a British Member of Parliament. Today all African organizations in Nyasaland and Southern Rhodesia are proscribed and the leaders detained without trial indefinitely, often in distant parts of the Federation.

In adjoining South Africa apartheid and tyranny as yet only suggested in the Federation have come to their full, evil flower, with 3 million white persons brutally suppressing 9 million Africans and nearly 2 million other unfortunate minority peoples. Despite the clear, unabashed history of South African racial discrimination, not one effective step has been taken by Western democratic governments to help the victims of apartheid, and more particularly the millions of south West Africans whose country has been annexed by the Union of South Africa in violation of its mandate agreement, the U.N. Charter, and the decision of the International Court.

In the silent colonies of Angola and Mozambique, a system of repression at least as severe as that in the Union of South Africa is concealed behind the convenient legal fiction that these territories are constitutionally self-governing, the same as Portuguese metropolitan provinces. In these colonies forced labor—slavery—still exists openly, and opposition is brutally suppressed by beating and by shipment of troublemakers to the death island of San Tome, from which they seldom return.

At the north end of Africa self-determination and autonomy are denied 9 million Algerians by the refusal of the 1 million white settlers to permit any political settlement which does not protect their unwarranted political and economic domination. Thousands of lives have been lost, homes have been destroyed, the countryside ravaged, and the whole Mahgreb has been kept from fruitful development by the French colons. Yet the Christian and democratic nations turn away their eyes and see no evil. How does an African distinguish between oppression of Algerians by the Frenchmen and of Hungarians by the Russians?

Even in West Africa, where self-government is generally advancing with considerable success, colonialism has left its unfortunate heritage: unnatural political boundaries, unrelated to logical geographical divisions or ethnic groupings have seriously hampered the economic and political de-

velopment of the emerging African states. Thus, for example, the post-World War I division of the German Kamerun colony (itself an artificial unit) between Great Britain and France lay at the heart of the Cameroons question before the U.N. this March, which resulted in such bitterness toward the West among African member states.

Indeed, despite its force as a stimulus to Africa's economic development, colonialism has been the biggest hindrance to the development of the indigenous people. Under colonial rule, little attention has been paid to the need to invest in education, health, technical training, and general community development for Africans. The African's potential as a local market for consumer goods has been ignored. Partition of Africa and the use of territories as sources of raw materials for metropolitan economies have not allowed the planning of continent- or region-wide development. Instead, colonial divisions have treated each territory in isolation from others.

#### INDEPENDENCE REQUIRED FOR PROGRESS

Africans are convinced that economic and social conditions cannot be considered apart from their political setting. Self-government and independence open great possibilities for economic and social development. Self-government permits people not only to embark on development programs serving purposefully the needs of their own country which they know best, but also enables them to establish relations with other countries on the basis of equality and to coordinate progressively the economy of their country with those of others. Full economic and social emancipation is not possible without political emancipation. Above all, it is through becoming masters of their own fate that the energies of the people are fully released for the arduous task of economic and social development.

The subjection of a people, in any form, including forced labor, apartheid, or colonialism under the guise of assimilation, is wholly inimical to economic and social development. This is our answer to those who argue that we must wait until we have a viable economy and have acquired enough experience before we have the right to demand our freedom.

This argument for delay, which smells of a passive betrayal of democracy, ignores the fact that, so far, experience has shown that it is only after independence that most of our countries have embarked on large-scale economic and educational projects, and that in all cases it is only after independence that the world has begun to be conscious of our economic and social problems. In fact, the foundations for stable government have been laid only after independence, which makes nonsense of the plea of colonial governments that they are training us for self-government. In every case, colonial powers have left their African territories only when the organized pressure of our people has made it impossible for them to govern without serious consequences.

#### OPONENTS OF FREEDOM ANSWERED

In addition to crying "Caution," "Go slow," opponents of African freedom have raised other objections. While most of the opposition arises from those who fear that independence will cost them status, economic advantage, or other special privilege, I would like briefly to consider the questions that are posed to me time and again by non-Africans:

For example, I have repeatedly been asked about the use of violence to achieve freedom. To this I can only answer that we are totally committed to nonviolent positive action. Nevertheless, I must call attention to the wise words of the great English reformer, John Bright, who in 1866 declared:

"I have never said a word in favour of force. All I have said has been against it—but I am at liberty to warn those in authority

that justice long delayed, or long continued injustice always provokes the employment of force to obtain redress. It is in the ordering of nature and therefore of the Supreme that this is so, and all preaching to the contrary is of no avail. If men build houses on the slopes of a Vesuvius, I may tell them of their folly and insecurity, but I am not in any way provoking, or responsible for, the eruption which sweeps them all away. I may say too that force, to prevent freedom and to deny rights, is not more moral than force to gain freedom and secure rights."

Secondly, there are those, perhaps affected by the guilty conscience which the general record of Western colonialism must unfortunately lead to, who fear that we Africans may yield to the not unsurprising temptation to victimize minorities—particularly the formerly dominant whites—when we gain independence. To them I can only repeat what we resolved at Accra in December: namely, that Africa will be developed toward a democracy where individual rights will be recognized and guaranteed, regardless of race or color. Our quarrel is only with colonialism and European domination. With these we shall never compromise.

Lastly, there are some who are only too ready to try to make capital out of some of our teething problems. They expect perfection from us and lie in wait to ridicule our demand for freedom every time they see—or fancy that they see—any error or misjudgment by an African. I am flattered by these people because whereas they have not yet attained perfection themselves, they believe we are better fitted to achieve it before them. We have nothing to apologize for; but while we will always welcome constructive criticism, we do not and cannot allow interference with the sovereignty of our independent states. Any problems we meet during our early stages of independence reflect on the utter failure of colonialism as a training ground. We have no reason to believe that if the colonial governments had another hundred years the situation would be better.

But is it really necessary for us to justify our demand for freedom or even to answer as to our readiness to shoulder the responsibility of self-government? If so, to whom are we accountable and by what and whose standards are we to be judged? What right has any other person to set himself up as our tutor and judge?

I submit that we have a right to self-determination. It is a birthright which we need not either justify or explain. We know and understand our desires and responsibilities to our people, countries and world peace. The other nations would do well to cooperate with us in our efforts instead of setting themselves up as our judges.

Too often we have heard of those who insist that African freedom involves a risk of communism. To them all I want to say is, that if they spent all their efforts in practicing democracy that they preach they would have nothing to fear from communism.

#### A POSITIVE PROGRAM PROPOSED

Let us, therefore, join together and match the internationalism of communism item by item, with the internationalism of democracy. Let us cooperate in the effort to eliminate disease, poverty and ignorance from the face of the earth, and we shall have dealt a death blow to the root causes of most of the "isms" that currently bedevil the world.

To those who count, instead, upon military bases, established in colonial areas without the consent of—or even notice to—the local inhabitants, for security against the false prophets of the world, I commend a thorough study of recent events. Military agreements negotiated with colonial powers will necessarily be, as they are today in Morocco, for example, subject to the will and the needs of the African people when they gain

their independence. I humbly submit that only Africans, whatever their color, background, or race, may rightfully decide matters which vitally affect the future of Africa. We African people seek the same peace, stability, security, and well-being that all decent people seek the world over, and we are unwilling to be used willy-nilly as pawns in a great power struggle. For this reason we adamantly oppose the use of any African territory, even the most desolate wastes of the Sahara, as testing ground by non-Africans of their new and ever more devilish instruments of destruction.

What specifically, therefore, is the task of Africans who seek to achieve that standard of well-being which is now recognized to be the decent and proper right of all peoples? It was clearly summarized by Dr. Kwame Nkrumah, Prime Minister of Ghana, when he called upon the African peoples to aim at four stages of advance:

1. The attainment of freedom and independence.
2. The consolidation of that freedom and independence.
3. The creation of unity and community among the Free African States.
4. The economic and social reconstruction of Africa.

To this great fourfold task we shall devote our full energies until a new, proud, free Africa is able to contribute constructively and equally to the great adventures before mankind.

#### THE UNITED STATES AND AFRICA

This, then, summarizes the situation in Africa today—a situation which the American people and their Government can no longer afford to ignore. Because of its history, its background, and its stand for democracy, the African people have come to expect greatness of the United States. We are therefore often surprised, puzzled, eventually frustrated and disillusioned when we see the United States acquiesce in the French Army's use of American arms, allegedly for NATO, against Algerians; or abstain from voting on the Algerian question in the U.N.; or lead the defense of the Portuguese refusal to declare and make reports on her colonies in Africa; or avoid condemning Government brutality in Nyasaland; or refrain from taking any positive steps to bring about the international control of South-West Africa. These faults may appear small to Americans, but in the end they will determine how far Africa's confidence is to be won or retained. Whereas most African leaders support the condemnation of such suppression as occurred in Hungary and now in Tibet, they cannot accept the apparent contradiction in standards and values where Africa is concerned.

Individually and collectively the American people have a way of associating themselves with our cause. Here, tonight, we have a fine example of this association, and I want to take this opportunity, on behalf of our friends in south Africa, to express our sincere appreciation to the American Committee on Africa for its contribution to the treason trial defense fund. I hope that many people will join the committee in this and other future efforts, especially now that we have launched a freedom fund to help in such cases as the pending trials in central Africa and Kenya, and also in such other work as providing for the needy families and dependents of people now detained or in prison. This fund will be used entirely for the purpose of advancing the legitimate aims of the African peoples in the positive, nonviolent achievement of democratic rights.

My friends, our struggle is simple. It is for political freedom, economic opportunity, and human dignity for all Africans, goals which can be opposed only by those who oppose the very concepts of democracy and human rights. Our struggle for freedom

will continue without compromise until the liberation of all Africa is achieved.

In this struggle we ask your help: Contribute as you can to the Africa freedom fund. When the permanent secretariat of the All-African People's Conference announces specific plans, join with us to exert the mighty economic and moral pressure of an aroused American public against the Union of South Africa, to compel a change in its abominable racial policies. And support and join those organizations, such as the American Committee on Africa, which are contributing so much to Africa.

You are the descendants of the tiny brave band of men who "fired the shot heard round the world." Its sound has been slow to reach Africa, but now the echoes rebound from every corner of the land. For the same freedom and right to a better life which your ancestors won with so much pain and suffering, we Africans now also strive. To this achievement for every African in every portion of the continent, we too pledge "our lives, our fortunes, and our sacred honor."

EXCERPTS FROM REMARKS BY GOV. G. MENNEN WILLIAMS OF MICHIGAN, AFRICA FREEDOM DAY MEETING, AMERICAN COMMITTEE ON AFRICA, CARNEGIE HALL, NEW YORK CITY, N.Y., APRIL 15, 1959

Good evening friends and fellow Americans, tonight I come to you certainly not as an expert on Africa but nevertheless as one who has visited both Egypt and Africa below the Sahara. Not as an expert but as one who has seen and felt the warmth, the promise, and the problems of a great continent.

As a result of my observations, I have the feeling that Africa is undergoing a great and new exciting experience. There is a promise of manifest destiny for her people alive in the air. There is a new day coming for Africa's people, and by and large, it is the people of Africa who will make it come.

Every day, with every move of life in Africa, the new spirit is imparted to more and more Africans, spreading deeper and deeper into the bush, until soon no African will be without this new spirit—this surge of contagious expectation and enthusiasm.

It is my sincere conviction that this new spirit is fed by three flames. The first is a burning desire on the part of Africans for freedom to control their own destinies. The second is fired by the revolution of rising expectations, and expressed in a determination to enjoy freedom from want—one of Franklin D. Roosevelt's four freedoms. The third is the overwhelming compulsion to achieve racial equality—a compulsion so strong in areas of severe repression that it sometimes understandably breaks out into its own expression of racism.

To be both realistic and helpful, the policies of the United States must be responsive to the deep desire of the people of Africa for self-government, for economic opportunity, and for the dignity of racial equality.

Fortunately, such policies are clearly in line with our fundamental American beliefs and traditions. Unfortunately, our record in African policies in the recent past has not always been completely consistent with what is basic and true in ourselves. But when we live up to our best beliefs and better selves, we are to that degree a better nation, and I have every hope that the United States can, and will, be helpful to the Africans in their development of their destinies.

It is not going to be easy to implement such effective policies for Africa, nor is it going to be easy to keep such policies in step with the great changes taking place in that continent.

As one would expect in a place as large as Africa, with the many diverse geographical

and historical conditions which prevail there, the problems are by no means simple or all alike. But the fact that the challenge is immense is no excuse for not trying to meet it. The United States can do it when we make up our minds that we really want it done.

Fortunately, there have been, and are leaders, who recognize what has to be done and are doing something about it. A number of them are here. I want particularly to express my pride and confidence in the work of a personal friend and fellow citizen from Michigan, Congressman CHARLES DIGGS. Incidentally, he is the first Negro member of the powerful House Foreign Affairs Committee. In this important position he can, and is doing a lot to advance America's relations with Africa.

Turning then to the development of an American policy responsive to the realities of Africa, the first challenge is Africa's desire for freedom to control its own destinies.

In this day and age, there can be no question at all but that the people of Africa are entitled to self-government. On this point, the United States should have not the slightest doubt or hesitation.

From the time of our Declaration of Independence, we have recognized that all men are endowed with certain unalienable rights, that to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. We should always stand forthright and firm on that solid foundation of fundamental principle.

Mindful of all this, I would propose that American policy have as its stated objective the recognition of the principle of African majority rule. I believe that in general, this is the underlying policy of most countries, including our allies. Where this principle is not recognized, or to the extent it is not recognized, we should urge the recognition of the principle of African majority rule by all countries, and we should seek the earliest reasonable implementation of this principle.

With respect to trusteeships where we have a special responsibility, the United States should bring its influence to bear to assure more substantial progress toward self-government.

Wherever the United States can properly be of assistance economically, or otherwise, it should not hesitate to render such support as it can. Naturally the given circumstances will be a factor in determining what we can do and how we can do it.

This brings me to Africa's revolution of rising expectations and to the second challenge—Africa's desire for freedom from want. Here there is much that America can do to help Africa now and thereby help create a stable and peaceful world.

During the 10-year span between 1944 and 1955, our world foreign aid totaled more than \$45 billion, but of this amount only 1.5 percent went to Africa, according to Congressman Diggs.

In 1958, as a further example, of the \$3.3 billion in foreign aid, the United States sent only \$77 million to Africa, most of which went north of the Sahara. Obviously, this amount does not represent a serious recognition of the problems the Africans face, nor a comprehensive effort to help solve these problems.

Economic aid for Africa should be constantly increased in scale with Africa's ability to absorb it. I propose that economic aid for Africa be increased up to as much as \$1.5 billion a year.

This sum has been estimated by experts to be the amount needed to provide a real growth in wealth equivalent to a net increase of 2 percent in output per head per year.

The combined investment in Africa from its own resources, and from public and private resources outside, figures to about \$1.2

billion in 1957, not enough to keep up with the increase in population. An additional \$1.5 billion over the \$1.2 billion is needed and should be supplied as rapidly as Africa can utilize it.

Last week, I proposed in Toronto that the industrialized free nations of the world undertake a \$5 billion a year foreign aid program through the United Nations. I proposed that the cost of this be shared in proportions of about \$3 billion from the United States, and \$2 billion from the other countries participating. This would provide Africa with the dimensions of economic aid it needs, economic aid up to the \$1.5 billion in accordance with Africa's ability to absorb it usefully.

My proposal to utilize the instrumentality of the United Nations would convince the Africans that we want to guarantee the integrity of purpose of the programs and to avoid any suggestion of political exploitation or domination.

The self-interest of the United States and the participating nations is served by the creation of stable self-governing states with viable economies. Such states are less likely to be induced to league against us or to disturb world peace.

Africa's third desire is for human dignity and racial equality. For us of the Judeo-Christian tradition, this certainly presents no problem of principle. Both the Old and New Testaments enjoin upon us the commandment "to love our neighbor as ourself." In the Phillips translation of the Letter of James, it is put felicitously for our purpose here:

"If you obey," James said, "the royal law expressed by the Scripture 'Thou shalt love thy neighbor as thyself' all is well. But once you allow invidious distinctions to creep in, you are sinning, you have broken God's law."

Our Judeo-Christian heritage was incorporated in our American Declaration of Independence, in which our forefathers said for us:

"We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable rights."

If our forefathers did so, can we morally do any less?

It would therefore seem to me that the United States must assert leadership in the United Nations for the recognition of equal human rights in Africa.

We should vigorously oppose the policy of apartheid in the Union of South Africa, but we should not stop there. We should, acting in the United Nations, work to bring about a reversal of that policy by whatever means can sensibly be applied.

And in this regard, let us be mindful of our own shortcomings in this area, and be determined to continue to strive to set things right—North, South, East, and West—wherever the problem exists.

In summary then, I propose that the United States declare its full recognition of the principle of African majority rule; that the United States initiate through the United Nations an economic aid program of the size that Africa needs, as much as \$1.5 billion yearly as Africa becomes able to absorb it usefully; and that the United States exert leadership against the policy of apartheid, or racism in any form.

America should help the people of Africa because they need our help, and they deserve to have it. Let's give them the kind of economic aid they need to help raise the material standard of their lives. Let's support them consistently and vigorously in the fulfillment of their rightful dignity as men and women.

We in the United States believe in freedom, we believe in self-government, we believe in working for the material and spiritual advancement of people everywhere. Let's prac-

tice our beliefs through our policies and programs for Africa.

Let's roll up our sleeves and go to work. Whatever we do for Africa, we do for the future of Western civilization.

#### THE HONORABLE CLARENCE J. McLEOD

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. DIGGS. Mr. Speaker, it is with deep regret that I announce to the House the death on Friday in Detroit of the Honorable Clarence J. McLeod, a former Member of this House from the Thirteenth District of Michigan.

Congressman McLeod served eight terms as a Republican Member of this House, elected for seven successive terms from 1923 to 1937 and again elected for one term from 1939 to 1941.

During his service in Congress, Clarence McLeod was for a number of years chairman of the House District Committee. He was an articulate and vigorous foe of communism and in 1928 led the fight in the House for the Reapportionment Act, adoption of which gave Michigan four additional House seats.

McLeod was also a leader in advocating improvements for the Walter Reed Army Hospital, which, incidentally, this year is marking its golden anniversary.

He was an able and conscientious public servant.

Since his retirement from Congress, Mr. McLeod had practiced law in Detroit.

In behalf of his former colleagues still serving in the House and in behalf of the Michigan delegation, I extend sympathy to Mrs. McLeod and other members of his family.

#### THE 1959 YOUTH MARCH

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. DIGGS. Mr. Speaker, in the CONGRESSIONAL RECORD of April 20, 1959, beginning on page 6352 under the heading "Washington Window," there appear comments and several newspaper articles referring to the April 18, 1959, youth march on Washington for integrated schools. Inserted in the RECORD by the gentleman from Georgia [Mr. FORRESTER], these materials are used in an attempt by implication to link the youth march with Communist Party movement. I should like to set the RECORD straight on this piece of slander.

The 1959 youth march was very fully and objectively covered by Washington and other daily newspapers around the country. It involved nearly 26,000 white and Negro students from all parts of the Nation and outstanding, substantial, national personalities, both white and Ne-

gro, from the fields of Government, labor, religion, entertainment, and other interests. It was definitely a large action and, in that respect, indication of the growing demand on behalf of school integration and the enforcement of all constitutionally guaranteed civil rights. A delegation of these youth from the march was received at the White House by Deputy Assistant to the President Gerald D. Morgan, and Presidential Aid E. Frederick Morrow.

By including, among the newspaper clippings in this April 20 discourse, an article published in the Communist Party's Sunday Worker on the subject of the youth march, an attempt is made to infer a connection between the two. Of course, the Communist press would comment upon this march. It, too, is the press and reports on events of national interest. Of course, the Communist Party, through its press, would imply sympathy toward a cause that is humanitarian or just, however feigned its sympathy as a means to its own end. This is the Communist Party tactic—the avowing of itself as the savior for mankind's every just cause. Why else, as a Nation, are we concerned about its attempts to identify with India's, Africa's, China's, the world's needs, its unrelenting efforts to win alignments through expressions of sympathy and profferings of economic, technological, and even military assistance to nations in need? Who denies that there is hunger and disease and slavery and economic oppression and deprivation of human rights in the world and that these are the causes for which communism, on the one hand, is saying, "I am the way to overcome them," and democracy, on the other hand, is saying, "No; I am the way"?

It is ironic that with those who have some vested interest in the continuation of segregation between the races and oppression of the rights of Negro citizens, anything having to do with the democratic ideals of justice, equality, liberty, and opportunity between and for all men must somehow be linked up with communism. It is more ironic that this inference and charge should come from such groups when the truth is it is this groups' very position on race relations and civil rights which is the boom to communism. During my 5 years in Congress, I have observed all kinds of positions on questions of race relations and civil rights. There are those of my colleagues who, while not in favor of integration, at least command respect for their human reasonableness in the level and character of their opposing fight. On the other hand, there is that small band of vitriolic and demagogic diehards whose approach to these issues is so completely divorced of reason and at such an animalistic level that while they defeat their own efforts to sell their blind hatred and bigotry to thinking people, they nevertheless make fodder for the Communist cause. The use of inference as a tactic for hurdling vitriolic unreasoned charges is not subtle and does not escape attention and the evaluation it deserves.

Mr. Speaker, under unanimous consent I include in the RECORD at this point

materials concerning the youth march for integrated schools, including a list of sponsors, a policy statement, a youth march statement, statements by such nationally known personalities as A. Philip Randolph, Roy Wilkins, the Reverend Martin Luther King, Senator Paul Douglas, George Meany, and Walter Reuther, a list of the presidential delegation, a summary of the presidential delegation statement, and news reports from the Washington Post and Times Herald and the Washington Star.

The materials referred to follow:

**LIST OF SPONSORS, 1959 YOUTH MARCH FOR INTEGRATED SCHOOLS**

Chairmen: Mrs. Daisy Bates, Harry Belafonte, Mrs. Ralph J. Bunche, Rev. Edwin T. Dahlberg, Judge Hubert T. Delany, Rev. Harry Emerson Fosdick, Rev. Martin Luther King, Jr., Father John LaFarge, S.J., Clarence Pickett, Sidney Pottier, Rabbi Joachim Prinz, A. Philip Randolph, Walter Reuther, Jackie Robinson, Rev. Gardner C. Taylor, Norman Thomas, Roy Wilkins, Charles S. Zimmerman.

Youth chairmen: Minniejean Brown, Little Rock, Ark.; Oscar-Mae Gilmore, Montgomery, Ala.; Reginald H. Green, vice president, U.S. National Student Association; Willard Johnson, vice president, U.S. National Student Association; Thomas Lavone Jones, NAACP; Harlon Joye, North American Student Co-op League; Robert R. Kiley, president, U.S. National Student Association; Stuart Langton, chairman, United Christian Youth Movement.

Vice chairmen: Rev. Ralph Abernathy, Juan Avilez, Israel Breslow, C. C. DeJoie, Jr., Hon. Charles C. Diggs, Jr., Eustice Gay, Max Greenberg, Dorothy Height, Oscar Hammerstein II, Jimmy Hicks, Rev. J. Oscar Lee, Dr. Benjamin E. Mays, Joseph Monserrat, Reinhold Neibuhr, Bishop James A. Pike, Jacob F. Potofsky, Hon. Adam Clayton Powell, Rev. Sandy Ray, Ruperto Ruiz, Juan Sanchez, Lillian Smith, Chuck Stone, Harry Van Arsdale, Jr., William O. Walker, Bishop W. J. Walls, Jerry Wurf, Arnold Zander.

**POLICY STATEMENT**

From its inception, the youth march for integrated schools has maintained a non-partisan character. In carrying on our activities, we have consistently and publicly made clear that we neither solicit nor accept financial support or participation from any political group as such. Whenever such support or participation was offered, from whatever source, it has been categorically rejected by the committee.

In keeping with this policy, we have on this occasion urged all partisan political groups to refrain from distributing any material along the line of march, at this meeting, and in the armory.

Certain groups have not complied with our request. Thus they have made it necessary for us again to respectfully urge all individuals to comply strictly with this request and urge all persons who have responsibility with the march to make it clear that we disassociate the march from all such partisan political activity and literature. We disapprove of the distribution of such literature and regard it as a disservice to the march and a violation of its spirit.

**WHY WE MARCH—YOUTH MARCH STATEMENT**

On April 18, thousands of American young people will march in the Nation's Capital in the largest demonstration of youth in our history. They will come from all parts of the country, by bus, plane, train, and car, and will represent all faiths. In Washington, they will be joined together in a great union of protest and action—the youth march for integrated schools.

**WE MARCH FOR REAL DEMOCRACY—NOW**

For over a century, the American Negro has been brutally and undemocratically denied the rights guaranteed to all citizens by our Constitution. The traditional rights of free speech, of suffrage, of due process, of equal protection under the law have been withheld from millions of Americans. And today, a minority of southern racist leaders is endangering our free educational system. This minority is threatening to close public schools, leaving thousand of our young people stranded, barred from the benefits of sound education.

Is this the way of real democracy?

We march to protest the century-long mistreatment of Negro citizens. They have waited long enough. We march to demand real democracy—now.

**WE MARCH IN DEFENSE OF THE SUPREME COURT**

Because of its recent decisions in behalf of equal educational opportunities for the Negro, the Supreme Court has been subjected to a battery of vicious attacks. Dangerous attempts have been launched to curb the power of the judicial branch of Government, which has moved courageously to defend the rights of Negroes. We protest against these attacks and call upon the executive and legislative branches to back up the Supreme Court in its reflection of the will of the majority.

**WE MARCH FOR CIVIL RIGHTS LEGISLATION**

Once again, Congress is being presented with an alternative: either to strengthen American democracy or to retreat before the campaign of the Dixiecrats. The pro-civil rights majority in Congress, greatly reinforced by the November elections, will have the opportunity to pass the Douglas-Celler-Javits-Powell bill, which goes a long way in helping the Negro and other minorities to achieve equality in all areas of life.

But time and time again, Congress has compromised the will of the people. We march to protest minority rule in Congress, and to demand the passage in toto of the Douglas bill. We march to demand an immediate end to the spectacle of Congressional double-dealing that encourages resistance to the law and deforms the democratic process.

Civil rights legislation is long overdue. We march for just laws—now.

**WE MARCH FOR EXECUTIVE ACTION**

We march to confront the President directly with the conviction of young people that he must use all of his powers to bring about the speedy integration of the schools. Specifically, we call upon him to speak out morally for the Supreme Court decision of May 17, 1954, and to use his influence to destroy the disease of segregation.

**WE MARCH AS PART OF OUR DEMOCRATIC DUTY**

When the wheels of government are slow in expanding our democracy (less than 500 students have been integrated in the deep South), when they get bogged down in compromises and maneuvers, we have the moral obligation in a democratic society to register our protest—through action. The essence of democratic government is the participation of the people themselves. Our failure to move against undemocratic practices leaves the field open to forces hostile to democracy.

Throughout our history, dramatic action by deeply concerned people has served to awaken the whole nation to its sense of duty. The power of the democratic idea symbolized by a vast march of sincere, earnest, disciplined, and dedicated people will influence those who have not yet taken a clear stand. Such a demonstration presses forward the cause of democracy and social progress in the courts, legislature, and all areas of American life.

Thus, American young people march not only to demonstrate solidarity with their embattled fellow-students of the South, but for the deepening and reinforcing of our democracy. We demand for every American every single right guaranteed by the Constitution, political, civil, and social; and until we get these rights, we will never cease to protest and assail the ears of America. We will continue to march, to petition, to demonstrate, and to persuade. It is our responsibility to do so.

We march on April 18 for the total victory of equal rights for all. We can no longer endure compromises and delays. We want a program for speedy integration—and we won't take no for an answer.

Come to Washington on April 18.

**YOUTH MARCH FOR INTEGRATED SCHOOLS.**

**STATEMENT OF A. PHILIP RANDOLPH AT YOUTH MARCH FOR INTEGRATED SCHOOLS, WASHINGTON, D.C., APRIL 18, 1959**

In the name of the youth march committee for integrated schools, I want to welcome you upon the occasion of this historic demonstration for integrated schools and civil rights legislation in the Nation's Capital.

Let me also, in behalf of our committee, express appreciation for the support of the Negro press, Negro church, NAACP, and various student organizations in the colleges and universities throughout the country in making this demonstration the monumental success it is. Let me express gratitude to certain outstanding leaders for the cooperation they have given this great cause, such as Roy Wilkins, executive secretary, NAACP; George Meany, president, AFL-CIO; Walter Reuther, vice president, AFL-CIO; Jackie Robinson, business executive; Harry Belafonte, great American artist; Judge Hubert Delany, leader at the bar; Norman Thomas; and others.

We have come again to Washington because the job of achieving integrated schools and civil rights legislation is not yet finished, although some progress has been made.

While the massive resistance movement of Virginia has collapsed, morally and legally, resistance in other areas of the South continues unabated. Thus, until the whole sinister structure of segregation in the United States has been torn down and thrown into the ashcan of history, youth, black and white, Jew and Gentile, Protestant and Catholic, and their allies, the church and labor, must make pilgrimage after pilgrimage to Washington to keep the issue of human dignity alive in America in particular and the world in general.

Youth and their allies have come back to Washington because, in this fleeting moment of history, the problem of integrated schools has become the conscience of the Nation. We have returned to our Nation's Capital today with a democratic participation in a great mass demonstration by youth and adults to indicate the uncompromising commitment of American youth to the principle of the God-given right of every child, regardless of race or color, to secure an education in the public schools free from the insult of discrimination or segregation.

Youth from all sections of the Nation have foregathered here today to register protest against the attacks of Southern States against the National Association for the Advancement of Colored People, the recognized leader of the civil rights movement in America. Efforts are afoot in State after State in the South to outlaw this organization and make it a crime for a citizen to become a member of it. We are here to make it evident, clear, and plain to the Faubuses, Talmadges, Eastlands, and white citizens councils that their struggle to destroy the NAACP will be resisted with all the moral and legal forces of the Negro in

America and by those who believe in justice and freedom.

We have come again to the Nation's Capital to register our protest against a movement, under the banner of States' rights, to hamstring, undermine and ultimately destroy the place of the United States Supreme Court in our American constitutional system. We resist and condemn every bill which has been introduced in the Congress or which will be introduced in the Congress to curb and restrict the power of the United States Supreme Court to interpret the Constitution and the laws of the land.

We have come back to Washington because it is the heart not only of America but of the free world. It is the Capital to which rulers from all nations of the world come to discuss their problems and seek support and cooperation from the President of our country, the most powerful ruler in the world today.

We have come again to Washington because we want to demonstrate that the fight for civil rights and integrated schools is a part of the fight for human rights all over the world.

When Faubus of Little Rock is encouraged and supported in this flagrant attack upon little Negro children's right to attend integrated schools in Little Rock, aid, comfort, and support are being given to the horrors committed by the Russian Communists in Hungary against the people of Hungary and the tragedy visited upon the people of Tibet by Chinese Communist barbarism.

Because liberty is indivisible, one cannot support colonialism in Africa and racism in the United States without strengthening the hands of communism in its march for worldwide conquest. Thus, the march of youth for integrated schools and civil rights is the march for the preservation of our democratic society and maintenance of our traditions and human values of justice, freedom and equality.

One of the best ways to halt the progress of communism in Africa and Asia and give reality and integrity to our profession of democracy is for the United States to give Negroes their civil rights today. Tomorrow may be too late.

Thus, in this hour of world crisis, the Youth March to Washington seeks to give hope and faith to the nine Little Rock Negro children who seek to enter Central High School, and to express denunciation of the policy of closing public schools to avoid integration.

In order that the Fascist and Communist enemies of democracy at home and abroad may know where we stand, let me state that the Youth March for Integrated Schools is definitely nonpartisan. It is also definitely anti-Communist, but is definitely not non-political.

Finally, in this time of worldwide tension, youth, together with their allies, express unqualified support of President Eisenhower upon the eve of a conference between Communist Russia and the Western democracies to discuss the problem of peace and war, in relation to the Berlin crisis. The cause of democracy must triumph for there can be no civil rights except within the framework of a democratic society. We wish to express appreciation to the Eisenhower administration for the role it has played in advancing the cause of civil rights but urge it to do more.

Let us not be dismayed by the long, hard struggle ahead for we will win if we fight and faint not.

REMARKS OF ROY WILKINS, EXECUTIVE SECRETARY OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE, AT THE YOUTH MARCH FOR INTEGRATED SCHOOLS, LINCOLN MEMORIAL, WASHINGTON, D.C., APRIL 18, 1959

It is most fitting and proper that the youth of this Nation should make their feelings

known in plain fashion on the issue of desegregation in the public schools.

Education has always been a matter of deep concern to young people and their parents and in the age in which the uses of machines have climbed to a new high level, when electronics, engineering, chemistry, and the atom have sent our world forward at unprecedented speed, education is more necessary than ever.

Literally, one must be trained in order to live. The day is long past when what you don't know won't hurt you. Ignorance and lack of skill not only will hurt, but may well destroy.

But the world's mechanical and scientific progress has made more necessary than ever before an adequate education in human relations. The whole world is instantly aware of the revolt in far-off Tibet, where once news from that country might have taken weeks to reach Washington. The Prime Minister of Great Britain can be in Moscow on Sunday and in Washington or Ottawa on Tuesday. An African leader is jailed in Nyasaland and a Japanese prince is married in Tokyo. The stories are in our newspapers and the pictures on our television screens within hours, often minutes. The story of the Montgomery bus protest is on the front pages of papers in Stockholm, Rome, and New Delhi as soon as it is printed in Chicago.

In this kind of a world, it is silly to talk about segregating people because of their color, because they wear robes or veils, because they speak French or Swahili, because they are Buddhists or Moslems, or Presbyterians, or because their spiritual leaders are called ministers or priests or rabbis.

Yet, here in the greatest country in the world, in the country which has grown great in the minds and hearts of mankind everywhere because it has been built on the guarantee of equality and individual liberty, we are engaged in degrading debate on whether American children, regardless of race, shall be educated together in our public schools.

Our highest court has held that they shall be so educated in accordance with the equal protection clause of the 14th amendment to our Constitution. It has said plainly that racial segregation in public schools is unconstitutional and denies to Negro children equality of opportunity in education.

But instead of complying with the Court's opinion and taking advantage of the leeway it had allowed local communities in planning to make beginnings in good faith, several of the States and many localities have refused to obey the ruling. They are defying the Court and tearing up the Constitution.

This resistance is the plan of adults, not of young people. Many of the leaders of the resistance have lived their lives, or are so far along that they cannot, or will not, change. Their world is behind them. They don't understand India any more than Kipling did. They don't know—and don't care—about the difference between Vietnam and Ghana, or between Ecuador and Ethiopia. What is Kenya and where is Leopoldville?

What kinds of people live in these places? What are their colors, their religions, their eating habits? Our segregationists cry, who cares—what do they have to do with the United States?

So, living in their world of yesterday, they fight the uprooting of segregation and inequality which they nurtured in the land of the free. Yesterday it did not matter much to the rest of the world what the Governor of Arkansas did to 9 Negro children, or to 9,000. Today it matters a great deal. When Alabama sentenced a Negro man to death for the robbery of \$1.95 the mail flooded into U.S. embassies in every part of the world and mounted to such a volume as to cause the Secretary of State to communicate formally and officially, with the Governor of Alabama. The Jimmie Wilson case damaged the image of America in the eyes of the

world—and the image of America in these delicate and dangerous days must be the concern of every citizen.

It is your concern because this is the world in which you will have to grow up and serve. This is the world in which you will choose a career, marry, rear children, govern and be governed. It is a world in which education will be a tool without which men cannot live and function or know happiness, satisfaction and peace.

For education will give us the knowledge of each other, the mutual respect and dedication to the ideal of liberty and equality which will keep us all free. It has been the fashion to talk in terms of the damage which segregation has done to Negro children, and to forget the corrosive injury it has done to white youngsters. No more revealing or tragic story has come out of the desegregation campaign than that from the small town of Clay, Ky., where a white girl of 14 declared: "I'd rather grow up to be an idiot than to go to a school with a nigger in it." The segregated system made this girl a useless citizen for the world of 1970 by the time she had barely reached her teens.

That is why it is not merely silly to talk about maintaining segregation in public education; it is well-nigh suicidal. It could lose us the struggle for the hearts of men, be it cold or hot.

So you are here to say by your presence and in your resolutions that you want integrated schools for all American children. You have every right to say this to your Government and to all among the citizenry who will listen. No one has a better right, for in so speaking, you are demanding only that the high pronouncements and glorious traditions of this beloved bastion of freedom be vindicated, and that we be about the business of building the kind of world in which your generation can preserve freedom.

STATEMENT OF MARTIN LUTHER KING, JR., AT YOUTH MARCH FOR INTEGRATED SCHOOLS, WASHINGTON, D.C., APRIL 18, 1959

As I stand here and look out upon the thousands of Negro faces, and the thousands of white faces, intermingled like the waters of a river, I see only one face—the face of the future.

Yes; as I gaze upon this great historic assembly, this unprecedented gathering of young people, I cannot help thinking—that a hundred years from now the historians will be calling this not the "beat" generation, but the generation of integration.

The fact that thousands of you came here to Washington and that thousands more signed your petition proves that this generation will not take "No" for an answer—will not take double talk for an answer—will not take gradualism for an answer. It proves that the only answer you will settle for is—total desegregation and total equality—now.

I know of no words eloquent enough to express the deep meaning, the great power, and the unconquerable spirit back of this inspiringly original, uniquely American march of young people. Nothing like it has ever happened in the history of our Nation. Nothing, that is, except the last youth march. What this march demonstrates to me, above all else, is that you young people, through your own experience, have somehow discovered the central fact of American life—that the extension of democracy for all Americans depends upon complete integration of Negro Americans.

By coming here you have shown yourselves to be highly alert, highly responsible young citizens. And very soon the area of your responsibility will increase, for you will begin to exercise your greatest privilege as an American—the right to vote. Of course, you will have no difficulty exercising this privilege—if you are white.

But I wonder if you can understand what it feels like to be a Negro, living in the South, where, by attempting to exercise this



right, you may be taking your life in your hands.

The denial of the vote not only deprives the Negro of his constitutional rights—but what is even worse—it degrades him as a human being. And yet, even this degradation, which is only one of many humiliations of everyday life, is losing its ability to degrade. For the southern Negro is learning to transform his degradation into resistance. Nonviolent resistance. And by so doing he is not only achieving his dignity as a human being, he is helping to advance democracy in the South. This is why my colleagues and I in the Southern Leadership Conference are giving our major attention to the campaign to increase the registration of Negro voters in the South to 3 million. Do you realize what would happen in this country if we were to gain 3 million southern Negro votes? We could change the composition of Congress. We could have a Congress far more responsive to the voters' will. We could have all schools integrated—north and south. A new era would open to all Americans. Thus, the Negro, in his struggle to secure his own rights is destined to enlarge democracy for all people, in both a political and a social sense.

Indeed in your great movement to organize a march for integrated schools you have actually accomplished much more. You have awakened on hundreds of campuses throughout the land a new spirit of social inquiry to the benefit of all Americans.

This is really a noble cause. As June approaches, with its graduation ceremonies and speeches, a thought suggests itself. You will hear much about careers, security, and prosperity. I will leave the discussion of such matters to your deans, your principals, and your valedictorians. But I do have a graduation thought to pass along to you. Whatever career you may choose for yourself—doctor, lawyer, teacher—let me propose an avocation to be pursued along with it. Become a dedicated fighter for civil rights. Make it a central part of your life.

It will make you a better doctor, a better lawyer, a better teacher. It will enrich your spirit as nothing else possibly can. It will give you that rare sense of nobility that can only spring from love and selflessly helping your fellow man. Make a career of humanity. Commit yourself to the noble struggle for equal rights. You will make a greater person of yourself, a greater Nation of your country, and a finer world to live in.

#### DOUGLAS TELEGRAM

APRIL 17, 1959.

A. PHILIP RANDOLPH,  
1959 Petition Campaign and Youth March  
for Integrated Schools, New York, N.Y.

Your support and that of thousands of other sincere believers in equal justice for legislation that will back up the historic desegregation decisions of the Supreme Court is a great encouragement to those of us on the legislative firing line.

The bill, S. 810, which 17 Senators have sponsored will, we believe, give constructive, reasonable, and effective assistance to the efforts to secure compliance with the 14th amendment in America's public schools.

We need to move steadily toward equality of opportunity in education so that all our citizens may enjoy the premise of our basic law, so that the Nation may have the best talents of all its people, and so that the world will have greater confidence in our Nation's leadership for freedom and against Communist tyranny.

Your efforts to awaken the Nation more fully to these vital goals are deeply appreciated. God bless you and keep you.

PAUL H. DOUGLAS.

#### AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, New York, N.Y., April 6, 1959.

Mr. A. PHILIP RANDOLPH,  
President, Brotherhood of Sleeping Car  
Porters, New York, N.Y.

DEAR SIR AND BROTHER: This will acknowledge your letter of March 31, in reference to the youth assembly which will be held in Washington, April 18. I sincerely wish it could be possible for me to take part in the program which, I note, will begin at 2 p.m., but regret to advise that my standing commitments will make it necessary for me to be absent from the city on that day.

With all good wishes to you and those associated with you in this assembly, I am,

Sincerely and fraternally,  
GEORGE MEANY,  
President.

#### REUTHER TELEGRAM

APRIL 17, 1959.

A. PHILIP RANDOLPH,  
Youth March for Integrated Schools,  
New York, N.Y.:

I regret that I cannot be with you personally on this memorable occasion to support your dramatic appeal to the American conscience and your call for more forthright action by Congress and the administration in keeping with the historic Supreme Court decisions in the matter of school integration. I should be more confident of our capacity to do right by freedom at the center of Europe if there were a greater show of concern for freedom here in the center of Washington.

There has been no real disposition at either end of Pennsylvania Avenue to deal with civil rights in education although the means for dealing with it lie at hand in the form of legislation introduced by Senators DOUGLAS and JAVITS and Congressman CELLER.

The Negro people have been very patient. They have been very reasonable and very orderly and very long-suffering. You might say they have waited since 1619, since 1863, since 1865, since 1896. They have waited much longer than 1954.

America is strong, yet we are not so strong, so indestructible, and so immune to the wear and tear of history that we need not practice here at home, in our everyday life, what we preach so readily to the rest of the world. We had better put our own house in order. We had better look to our credentials as leader of the free world and the prospective leader of the peoples of the world now struggling to be free.

It is imperative that the American people understand that the question of free access to American schools is a basic test of freedom in an area where our troubles are no fault of the Communists. The question of school integration is a national matter. A matter of honoring the Constitution of the United States, and the major responsibility for a solution lies at the Federal center with the men who are now looking the other way at both ends of Pennsylvania Avenue in the crisis of the schools.

Parents are imposing their prejudices on their children. Let the voice of the young people be heard. Let the children lead us. They are ahead of their elders. They are the innocent victims of past wrongs; their real solidarity is with the future. They are ready to start growing up now to the stature and the awareness that they and the Nation will need in order to meet tomorrow's challenge.

You are helping this youth to find its voice. Our great hope is that this voice will reach the conscience of the country.

WALTER P. REUTHER,  
President, International Union, UAW.

#### PRESIDENTIAL DELEGATION

Reginald Green: Age 23, from Walla Walla, Wash., A.B., Whitman College, 1955, summa cum laude. Harvard Graduate School of Arts and Science, A.M. Vice president, National Student Association of America.

Josephine Green Boyd: Age 19, from Greensboro, N.C., the first Negro student to graduate from an integrated school in North Carolina. She is an honor student at Clark University, Worcester, Mass., and secretary of the NAACP.

Sallye Phillips: Miss Phillips is a senior, age 17, at Hartshorne High School, in Hartshorne, Okla. She has been elected as a straight A student, the first Negro valedictorian of her class that graduates in May.

Harlon Joye: Age 26, from Orangeburg, S.C. Now studying at the New School of Social Research, in New York City. Is a representative to the Young Adult Council for the National Student Cooperative League.

#### YOUTH MARCH FOR INTEGRATED SCHOOLS— SUMMARY OF PRESIDENTIAL DELEGATION STATEMENT

##### RECOMMENDATIONS

In the light of the considerations which we discuss below, we respectfully urge that you give consideration to the following proposals, which we feel would enable the Federal Government to place its weight behind the movement for the integration of the schools:

1. The Chief Executive should make an explicit moral as well as legal commitment of the full resources of the Federal Government to the objective of achieving orderly, effective, and speedy integration of the schools.

2. The Chief Executive should place his weight behind the passage of a truly effective civil rights bill in the present session of Congress. As far as school integration is concerned, we believe that the Douglas-Javits-Celler bill is by far the most comprehensive and effective piece of legislation before Congress. This bill is bipartisan in its sponsorship. It deserves, we feel, the full support of the administration.

The Douglas-Javits-Celler bill is an historic and statesmanlike proposal. It empowers the Federal Government to move into the center of the school picture and to undertake, on a nationwide basis, careful and constructive planning of the Nation's march toward integration. It provides the expert counseling, the financial aid, and the legal authority necessary to achieve this end.

The several admirable features of the bills introduced on behalf of the administration likewise merit vigorous support, especially those adding to the protection of the right to vote.

3. The Chief Executive should call a White House conference of youth and student leaders, chosen from national and regional organizations, both North and South, to discuss ways in which youth may participate in the implementation of the Supreme Court decision.

4. The Chief Executive should intervene in the case of Asbury Howard, Jr., the 18-year-old Negro youth from Bessemer, Ala., who has been sentenced to the chain gang for 1 year for coming to the defense of his father when the latter was attacked by a mob. Cases such as this must be brought to the attention of the Nation and of the State authorities if a wrong is to be redressed and justice done.

We make these recommendations in the light of the following urgent considerations:

1. Nearly 5 years have elapsed since the Supreme Court ruled that in the field of education "separate but equal" has no place. But today only some 800 of 2,890 biracial school districts in Southern and border States have begun desegregation even on a token basis. In five States, there has been no desegregation in public education. In

the past 2 years, the number of districts instituting new desegregation plans has shrunk to a mere handful.

2. This situation is not acceptable to the youth and the students of the United States. For us, the youth, the question of school integration is the central moral issue of our time. Not only are the rights of minorities at stake; American democracy itself, and the supremacy of our Government, the very survival of the Constitution, are at issue.

We must point out that American youth have made strong and repeated affirmation of their support for the Supreme Court decision and the integration of the schools. Among the most recent demonstrations of this are the following:

(a) In August 1957, when the delegates of over 300 student governments, representing over 1 million students, expressed their belief at the U.S. National Student Association's 10th National Student Congress, that—

Segregation in education by race is incompatible with human equality. It is now also unconstitutional. In the face of ethical concepts, legal requirements, and global ramifications, there can be no justification for delay in the implementation of the Supreme Court decision.

(b) At the National Student Conference of the YMCA and YWCA held last December at the University of Illinois;

(c) At the 1958 convention of the National Federation of Catholic College Students held in San Francisco;

(d) At the 11th National Student Congress last August when delegates from 50 southern campuses expressed their desire for the abolition of segregation;

(e) At the 1958 youth march in Washington, when 10,000 students expressed their moral support for integration.

The petition campaign and youth march for integrated schools, with its 20,000-member march, its quarter of a million signatures, and its nationwide support, has won more support among the young people than any other national campaign or issue in the past 15 years.

3. Concern over the integration of the U.S. schools is not limited to this country. The delegates from the 75 national unions of students outside the Communist bloc, meeting in Lima, Peru, at the International Student Conference this spring, condemned the continued practice of racial segregation in our country. Similar grave concern was expressed at the World Assembly of Youth held in New Delhi last summer.

4. As young Americans, we appreciate the difficulties confronting those who work to implement integration of the schools. We commend the efforts of the courts, the Civil Rights Commission, and members of the administration such as Attorney General Rogers and Secretary Flemming on behalf of integration. Yet, if massive resistance has been defeated in Virginia, it is very much alive in South Carolina, Georgia, Alabama, Mississippi, Louisiana. The leaders of the Deep South do not seek time to accommodate to integration, but to block it altogether. They do not wish to discuss compliance with the law but ways to evade it.

5. The crisis that centers around the integration of the schools is a national question. It affects school systems and national minorities in all parts of our land. It must, we feel, have the fullest attention of the Federal Government if a solution is to be reached, if the Nation is to have the leadership for progress, for the creation of a truer, fuller democracy that it so deeply needs.

[From the Washington Post and Times Herald, Apr. 19, 1959]

**INTEGRATION RALLY HERE ASSURED; IKE SEEKS END OF RACIAL BIAS**

A student delegation calling for the administration to press for speedy desegrega-

tion of the Nation's public schools was assured by the White House yesterday that the President shares their desire to eliminate racial discrimination.

The students, representing more than 25,000 persons from throughout the Nation who met here yesterday to demonstrate public support for faster implementation of the Supreme Court's desegregation decision, received the assurance from Gerald D. Morgan, deputy assistant to the President.

After a 15-minute meeting with Morgan at the White House, they reported that he was friendly and showed interest in their list of proposals for getting the Government to place its weight behind the movement for the integration of the schools.

Morgan read the delegates a statement declaring:

"The President is just as anxious as you are to see an America where discrimination does not exist. \* \* \* We have a long way to travel, but in the past 6 years we have also come a long way. \* \* \* We will never be satisfied until the last vestige of discrimination has disappeared."

Following the White House meeting, a crowd estimated at 26,000 by Park Police paraded in a youth march for integrated schools from Seventh Street on the Mall to the Sylvan Theater on the Washington Monument grounds.

They were addressed by the Reverend Martin Luther King; Roy Wilkins, secretary of the National Association for the Advancement of Colored People, and Tom Mboya, chairman of the All Africa People's Conference.

A four-page newspaper entitled "Workers World" was distributed at the rally. A spokesman for the rally sponsors said they had not authorized distribution of any literature.

A delegation was scheduled to present a petition to an aid of Vice President RICHARD M. NIXON at the Capitol. The meeting was canceled, rally officials said, because they wanted to give the petitions to a Member of Congress who could place them in the CONGRESSIONAL RECORD.

[From the Sunday Star, Washington, D.C.,  
Apr. 19, 1959]

**TWENTY-SIX THOUSAND CHILDREN MARCH TO BACK INTEGRATION**

Nearly 26,000 school-age youngsters from all parts of the Nation marched along the Mall yesterday in a demonstration for speedy school integration. They gathered for a speechmaking program at the Washington Monument Grounds.

The police had expected the march to end about an hour after its start at Seventh Street and Madison Drive SW. at 2:15, but the last of the marchers finally reached the Sylvan Theater area at 4 o'clock.

Sponsored by the Youth March for Integrated Schools, some 300 busloads—half of them from New York—arrived before noon.

Special delegations appeared at the Capitol and at the White House with petitions containing nearly 250,000 signatures urging "an executive and legislative program to speed integration" throughout the Nation.

**MET BY PRESIDENT'S AID**

At the White House the group was met by Gerald D. Morgan, deputy assistant to the President, who spoke to them on behalf of Mr. Eisenhower, now vacationing in Georgia.

Mr. Morgan said: "The President is just as anxious as you are to see an America where discrimination does not exist. \* \* \* To reach this goal we have a long way to travel, but in the past 6 years we have also come a long way."

Mr. Morgan added that the President is proud of the progress made—"much of it under his personal leadership"—but the administration will not be satisfied "until the

last vestige of discrimination has disappeared."

**NEGRO LEADERS SPEAK**

The youngsters were addressed at the Monument Grounds by national Negro leaders, including A. Philip Randolph, president of the Brotherhood of Sleeping Car Porters; Roy Wilkins, executive secretary of the National Association for the Advancement of Colored People; and Charles S. Zimmerman, chairman of the AFL-CIO National Civil Rights Committee.

Senator DOUGLAS, Democrat, of Illinois, in a telegram read to the assembly, said the youth march—a repeat of a similar mass integration demonstration here last October—was "great encouragement to those of us on the legislative firing line."

Labor Leader Walter Reuther telegraphed: "Let the children lead us. \* \* \* They are the victims of past wrongs."

The African Negro labor leader, Tom Mboya, of Kenya, told the applauding crowd: "Many millions of people throughout the world in spirit are here with you today. \* \* \* The struggle for human dignity is a universal struggle."

Citations were presented to Jackie Robinson and Mrs. Daisy Bates, NAACP leader in Little Rock, Ark., and the Reverend Martin Luther King, Jr., Montgomery, Ala., Negro leader.

**YOUTH MARCH OF 1959**

Mr. COHELAN. Mr. Speaker, I ask unanimous consent to extend my remarks immediately following the remarks of Mr. Diggs.

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

There was no objection.

Mr. COHELAN. Mr. Speaker, where more than in America is free expression and interest in the orderly process of government considered a responsibility of the individual citizen? It is because of its example of this high purpose that I wish to commend the youth march of 1959. It is the democratic way for people to join together for their common good with the interest of the Nation at heart.

Thirty thousand young people of every creed and race from all parts of the United States gathered at the Washington Monument Saturday, April 18, to collectively sound their belief in the principle of equal education for all. Their appointed delegates were received at the White House on behalf of the President of the United States.

In proceedings characterized by orderliness and calm purpose, they recalled the U.S. Supreme Court decision of May 17, 1954, in which it was stated that "segregation in the public schools is unconstitutional and a negation of human rights in a democratic society."

In petitions to the President and the Congress of the United States they said, "Southern young people have suffered indignities, humiliation, and violence in seeking to appease their rights," and that "further efforts to maintain segregated schools threaten the destruction of our system of free public schools and the embarrassment of our professions of democracy around the world." They urged "an executive and legislative program which will insure the orderly and speedy integration of schools throughout the United States."

These petitions carried some 400,000 signatures including Mrs. Ralph J. Bunche, Rev. Harry Emerson Fosdick, Father John Farge, Walter Reuther, George Meany, A. Philip Randolph, Jackie Robinson, and other distinguished citizens from throughout our Nation.

Education of our youth is an important investment in the future of our country. Our hopes for the future of our free society are heartened by the knowledge that our young people care.

#### TRIBUTE TO JOHN FOSTER DULLES

Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, my decision to take the floor today to pay tribute to John Foster Dulles has been prompted by a resolution of appreciation passed by the First District Council of Iowa Republican Women, the district that I have the honor to represent. At the spring meeting of this group in Washington, Iowa, on April 29, the following resolution was unanimously adopted and sent to Mr. Dulles in letter form:

The Honorable JOHN FOSTER DULLES,  
Walter Reed Hospital,  
Washington, D.C.

SIR: The members of the First Congressional District Council of Iowa Republican Women at their spring meeting in Washington, Iowa, April 29, 1959, unanimously asked that the following message be sent to you:

"We hereby express our sincere and deep appreciation for your loyal and outstanding work as Secretary of State.

"We sincerely believe that no other individual has ever contributed so faithfully of time, energy, and judgment in the endeavor to preserve peace in our Nation and the world, and we earnestly extend our heartfelt wishes for your speedy recovery."

Respectfully yours,  
FIRST DISTRICT COUNCIL OF IOWA  
REPUBLICAN WOMEN,  
MRS. WILLA WELDON,  
District President.

Mr. Speaker, just today, I received a copy of another resolution, this one from the National Federation of Republican Women. It was adopted by the board of directors at its meeting in Washington, D.C., April 10 and 11 of this year. That resolution reads as follows:

Whereas John Foster Dulles has served as Secretary of State with rare devotion for more than 6 years; and

Whereas Secretary Dulles has earned the enmity of the Communists and appeasers for his opposition to the international conspiracy which threatens to destroy our Republic; and

Whereas Secretary Dulles has been attacked by some for his so-called policy of "brinkmanship," yet this policy of firmness has been wholly successful in keeping America out of war, while the policies of his predecessors three times took us over the "brink" and into war;

Resolved, That the Board of Directors of the National Federation of Republican Women affirm their support of the anti-Communist foreign policy of Secretary Dulles; and that he will continue his firm policies in resisting Communist strategy and aggression.

Resolved further, That a copy of this resolution be sent to Secretary Dulles and President Dwight D. Eisenhower.

This was one of four resolutions adopted at this meeting, and to me it is one of the most important. The board of directors members who signed these resolutions were: Mrs. J. B. Parks, Colorado, chairman; Mrs. Beth Carmack, Arizona; Mrs. Newell S. Boardman, Illinois; Mrs. Esther D. Holt, Oklahoma; and Mrs. Frederick P. Becker, West Virginia.

To the members of both of these groups and all groups who have paused to do honor to this great American, I offer high praise and commendation. I agree that when a public servant has made a contribution to his country's welfare and at the same time has had such a tremendous influence upon the peace of the world, recognition should be spontaneous and immediate. I want John Foster Dulles to know the place of esteem he holds in the hearts of the people of the United States. He has earned the right to be revered and respected and to receive a pat on the back and a thunderous applause for a job well done.

Mr. Speaker, at this very moment in Geneva there are negotiations going on which promise to reduce the chances for war, while at the same time preserving American principles. The American team at the Geneva Conference is of course led by our new and very able Secretary of State, Mr. Herter, but if good results should come from this conference few people will deny that our former Secretary of State, John Foster Dulles, is the man to whom most of the credit should go.

It is a paradoxical twist of fate that this great man, now lying sick at Walter Reed Hospital, should not have been well enough to lead the American delegation himself, for it seems clear that it would have been the summit of his career as a diplomat and statesman. Here is a man who was veritably in training for the job of Secretary of State since he was a teenager—as far back as the Hague Conference of 1907. In the intervening years Foster Dulles, while gaining prominence as chief partner in the law firm of Sullivan & Cromwell, continued his interest in international affairs, until in 1944, he again became active in foreign policy.

As a leading churchman and Republican, he could not help but be concerned over the postwar role of the United States in the world, and thus, 15 years ago, he came to Washington to offer his counsel to some of the most prominent Members of the other body. This was a good apprenticeship for the job Dulles later took on when our President offered him the post of Secretary of State, for in those early postwar years the United States, no less than our party itself, was undergoing a period of transition regarding America's role in the world.

For it has generally been recognized that John Foster Dulles is the negotiator par excellence, and we know beyond a doubt that this skill helped him in bringing about a good working relationship between such leaders as Vandenberg and Taft and an administration with which they were not in sympathy. Indeed, his skills in this field were so great that

Dulles was called upon to serve as a member of the American delegation at the Conference which set up the United Nations, even though he was well known as a leading Republican.

In the years that followed, and before his party won the executive branch, Mr. Dulles assumed other positions of special trust and responsibility. He was a constant consultant on Far Eastern affairs, and of course he is recognized as the architect of one of America's most significant postwar achievements: the peace treaty with Japan. It was also at this time that Mr. Dulles was instrumental in writing our unique alliance with Australia and New Zealand: the ANZUS Treaty.

But, of course, John Foster Dulles will best be remembered for these past 6 years. There are those who say that he will be regarded as the finest Secretary of State ever to hold that office. Certainly, he held office in the most trying of times, and as I have said, it was a time of transition, both for his party and his country during which he held office.

In my humble opinion, Mr. Dulles should go down as the finest, ablest, most effective of all modern Secretaries of State. It is my belief that he has best filled the four roles demanded by that position. He has had the President's supreme confidence in foreign affairs, second-guessed by nobody; he has managed to keep Congress and the people informed of his policies and to gain their support; he has had the very warm support of our leading allies—this became especially clear earlier this year even before his illness; and finally, by his careful but firm diplomacy, he has made America's position crystal clear to its potential enemies, and thus kept the peace.

This is almost too much to ask of any man, thus it is not surprising that Mr. Dulles has had his critics. Some have charged that he spoke out of both sides of his mouth; others said that he was reckless; and many have made the queer claim that Mr. Dulles was too moralistic. It is not my feeling that Mr. Dulles deserved any of these complaints; indeed, it seems to me that those who made those charges simply do not understand the job he had to do. Certainly, all of us would agree that the nations of West Europe, close to the Russian menace, and with perhaps some colonial territories, are bound to look upon the world with different eyes than do the newly independent nations of the world, located often far from the mainstream of events. Yet it was Mr. Dulles' job to help defend both kinds of nations from aggression, and to help such nations understand America's good will toward them. Is speaking to such nations in a language each will best understand to be classed as duplicity? I don't think so—but if it is, then I am all for it.

And then there are those who say that Mr. Dulles was reckless—that he took us "to the brink." But is it not better to have your enemy know pretty well where you stand these days? For these are times when the risks of an accidental war are great, and Mr. Dulles understood this. He did not wish the men of

the Kremlin to have any illusions of where we stand, and thus foolishly apply pressure in the expectation that America would tacitly give in. Instead, his position has been to state America's position with clarity and firmness—but at the same time to seek peace and avoid any unnecessary provocations.

And finally, how can it be claimed that an American Secretary of State was "too moralistic." Can it be denied that there are rights and wrongs in international affairs? Is Mr. Dulles to be chastised because he did not fear speaking of these openly, especially when he knew that our country has traditionally been recognized as the embodiment of men's ideals? No—I say that John Foster Dulles was quite right in spelling out again and again the evil deeds of the Soviet Union in Eastern Europe; of the tyranny that is imposed there, and of the immorality of those deeds. At the same time, I respect him for the restraint that he has shown in times of crisis—for he recognized—as at the time of the Hungarian rebellion, that no American action save nuclear war itself could have any effect on matters which so clearly affected the Russian heartland. He knew that to make war under such circumstances would not help men anywhere, least of all the proud men of Hungary.

As Mr. Dulles lies gravely ill, I join his many admirers all over the free world in hoping and praying that his health will be restored so that he will be able to bring the benefit of his great experience to the aid of his President. Mr. Eisenhower voiced my sentiments exactly when he announced that Mr. Dulles would be commissioned as a special consultant:

I personally believe he has filled his office with greater distinction and greater ability than any other man our country has known, a man of tremendous character and courage, intelligence and wisdom. And, therefore, my determination to keep him close where he can be as useful, both in the State Department and to me,—and indeed, in considering everything that may affect our foreign relations, I think is a very wise and proper thing to do.

Under unanimous consent I include the following editorials:

[From the Richmond Times-Dispatch, Apr. 17, 1959]

#### HE HELD THE LINE

No man in postwar public life, outside the White House, has had as hard a row to hoe as John Foster Dulles.

Throughout his 6 years as Secretary of State, he devoted every ounce of energy to the service of his country, and of the free West.

After his 1956 operation for intestinal cancer at the age of 68, and after another, 2 years later, he carried on pursuing a strenuous schedule of work and travel that would have tested the endurance of a young man in good health.

He lived up to the code prescribed in Kipling "If":

"If you can force your heart  
and nerve and sinew  
To serve your turn long  
after they are gone  
And so hold on, when there  
is nothing in you  
Except the Will, which says  
to them, 'hold on!'"

This was the stamina that enabled him to "hold the line" in the face of the duplicity and attrition of a Red imperialism equally determined to reduce each of the West's diplomatic moves toward peace into an exercise in futility.

The Secretary's resignation was expected; yet the sudden realization that his hand was no longer at the helm of foreign policy came as a shock, especially to the President who had leaned so often and so heavily, during his own attacks of illness, on the sturdy shoulders of his Secretary of State.

Mr. Dulles' policy maneuvers were not always understood, at home or abroad. Some European governments friendly to us looked upon him as "an edgy gambler." Not until the past year did the overall pattern of his strategy come into focus.

Dulles had consistently held, that diplomacy vis-a-vis Moscow must lead from strength in order to be effective. That is why some have called him "the only man on earth feared by the Kremlin."

His withdrawal of a United States offer to help finance Egypt's \$1.3 billion Aswan Dam project was regarded as a blunder. Those close to Dulles say that he withdrew the offer because he saw the need of making neutral governments realize the folly of playing the United States against the Soviet Union, in the hope of receiving economic aid from both.

His refusal to condone the Israeli-British-French invasion of Suez caused a rift hard to heal—yet he put his country on record as opposed to military aggression for economic reasons.

The landing in Lebanon was condemned as a needless "show of force," but may have convinced the Near East that we would come to the aid of legally constituted governments asking protection against Soviet attrition.

In his preoccupation with the task of knitting the non-Communist West more closely together, Mr. Dulles may have overlooked the "clear and present danger" of Red infiltration in Latin America; yet anyone trying to keep track of the kaleidoscopic multiplicity of international problems will understand how difficult it must have been to keep them all "under his hat."

The national reaction to his resignation was well expressed by Senate Democratic Leader LYNDON B. JOHNSON:

"Secretary Dulles," said the Texan, "will remain in our hearts as a great American who faced up to difficult and trying tasks with fortitude and resolution."

Similar stock phrases are often used in saluting statesmen forced to retire because of illness or age—but seldom with as much genuine feeling.

[From the Des Moines Register,  
Apr. 16, 1959]

#### A DEDICATED STATESMAN

John Foster Dulles hated to resign as Secretary of State, and President Eisenhower hated to see him go. There were tears in the President's eyes when he announced the resignation. The latest medical findings made the resignation inevitable, and Dulles acted promptly.

A Nation's sympathy will go with Dulles in his battle with cancer, and a Nation's gratitude for 6 years of energetic and thoughtful service in an office which has carried the heavy burdens of cold war, the rocket and nuclear arms race, the frustrations of trying to make the United Nations and the tangle of U.S. alliance systems work.

Dulles has unquestionably been one of the hardest working and hardest thinking of American Secretaries of State. Naturally, not everyone has agreed with him—we have not always done so. But in spite of his constant travels and the huge daily press of business, Dulles made a real effort to think through the general principles and the long-

term goals of U.S. foreign policy, and to keep on thinking.

In this he had a headstart by virtue of his longtime interest in the subject before his appointment, in the years when he headed the wartime Commission For a Just and Durable Peace of the old Federal Council of Churches, the years when he was foreign policy adviser to Thomas E. Dewey in Dewey's two tries for the Presidency, the years when he was a special negotiator for Democratic President Harry S. Truman.

Some of Dulles' famous phrases lent themselves to misinterpretation and attack: "liberation," "massive retaliation," "agonizing reappraisal," "deeds, not words," "stand firm," for instance.

But Dulles did not think in slogans. In context, these phrases did not mean what his severest critics thought they did, and Dulles explained them again and again, in speeches and press conferences.

He was a great believer in private talks with foreign negotiators, but he was almost always ready to explain in detail for the public what he was trying to do and how things were going.

A Secretary of State gets praised or blamed less for his own performance than for the results. The results are only to a small extent within his control. It is no secret that the U.S. position in the world is more dangerous today than it was 6 years ago, though it is far from hopeless.

People will be arguing for a long time to come whether things would have been better—or worse—if Dulles had taken a different line on the Middle East, the Far East, Berlin, the summit meeting, and so on. But no one can doubt his devotion and his effort. And surely Soviet weapons technology and the revolutionary changes in the underdeveloped countries are the major reasons for U.S. insecurity today.

[From the Charlotte Observer, Apr. 16, 1959]  
A BRAVE MAN LEAVES A VOID THAT MUST BE FILLED QUICKLY

Friend and critic alike would find it easy to agree on one thing about John Foster Dulles: He never shirked difficult decisions.

Now he has made perhaps the most difficult one of his career. Wracked by cancer, he has resigned as Secretary of State.

With a remarkable display of courage and determination, Dulles carried on in one of the world's most difficult jobs despite his painful illness until he was clearly incapable of going any further. Many of us think he delayed an inevitable decision too long.

That's water over the dam now. All of us can salute the grit and dedication of a remarkable public servant and regret that his career has been halted at a crucial moment.

Not since the postwar years has the Western Alliance—in which Dulles has been the dominant figure for 6 years—faced greater problems than it does now. In less than a month, allied foreign ministers meet with the Russians in a pre-Summit Conference. Still to be welded together is a firm, coherent answer to the Communist demand that the Western Powers pull out of Berlin.

Because of Dulles' illness, the role of the natural leader of the alliance—the United States—has been sharply reduced. The result has been a leadership vacuum, which Prime Minister Macmillan of Great Britain has tried unsuccessfully to fill. With time running out, Britain and West Germany are wrangling publicly.

At this point, one thing seems imperative. President Eisenhower must name a new Secretary of State quickly, and work with him in offering vigorous, cohesive foreign policy direction in the critical weeks ahead.

The logical choice may well be Acting Secretary Christian Herter, who has been directing our preparation for the Geneva talks. But whether the choice is Herter or someone else, it should be made now.

In times like these, leaders of both parties—in and out of Congress—stand ready to demonstrate this country's essential unity in facing the Communist threat.

The loss of Dulles is a crippling blow, but it must not be a fatal one. If the White House will act quickly and wisely, we can meet this challenge as we have so many others.

[From the San Francisco Examiner, Apr. 17, 1959]

#### SECRETARY DULLES MAKES THE HARD DECISION

The resignation of Secretary Dulles came with shock and sorrow to the American people, the leaders of both political parties, and our allies. It had been expected, but no amount of anticipation could ease the poignant sadness of President Eisenhower in announcing it, nor the dismay here and abroad.

It is a major misfortune. Mr. Dulles, we are sure, would be the first to protest against calling it a tragedy, and the first to exhort us not to let it turn into one.

He himself made the decision and we can only guess at what cost of agonizing self-assessment. As the President correctly predicted a few days ago, Mr. Dulles could be relied upon—better than anyone else—to determine his ability to remain in office and to decide on the basis of the best interests of our country. Those who thought otherwise underestimated, as usual, his quiet and tremendous courage.

He has set all of us an example to face the coming weeks of crisis with something of his fortitude and intelligence.

In that uncertainty it is heartening that Mr. Dulles will continue as foreign policy consultant to the President and the administration.

[From the Chicago Daily Tribune, Apr. 17, 1959]

#### UNDEFEATED

Secretary of State John Foster Dulles has fought against the destroying disease of Communist imperialism and a wasting malady that attacked his own body. Against both he displayed a spirit of indomitable fortitude and resolution which could not fail to arouse the admiration of all his countrymen.

Now Mr. Dulles has himself concluded that he is unequal to carrying on the struggle in the world arena while living under what must be recognized as a sentence of death. The duties he discharged with such conspicuous courage and firmness must now pass to other hands, and we all must trust that they will be handled with a sure and unflinching touch, for at this stage in world affairs irresolution could cause enormous damage.

The conference of foreign ministers to deal with Soviet blackmail demands over West Berlin and the status of Germany lies just ahead, and after that there is a strong likelihood that the spokesmen of the Western nations will be obliged to deal in personal negotiation with Premier Khrushchev. They will need all their wits and all their perseverance in standing off this peasant schemer.

This was a job which Secretary Dulles was admirably suited to discharge. Through years of direct experience, he had come to know the nature of the enemy. He did not scare easily. He was good at bucking up the weaker sisters in the Western coalition. He had no stomach for sell-outs or for compromises leading to surrender on the installment plan.

If our diplomacy is to succeed, it must be conducted with the character, the principle, and the courage that Mr. Dulles brought to the task. Of him it could be said without sentimentality that his strength was as the

strength of 10 because he knew his cause was just.

We have often been at odds with Secretary Dulles on questions of policy as well as on his methods of operating. There is little doubt that he was so frequently on the go that our international relations sometimes assumed a frenetic character. He talked much and often, sometimes indiscreetly, as in his "brink of war" statement. Yet, at his best, he was deft, perceptive, and not without wit.

The moral qualities which made him a lay church leader added strength to his diplomacy, but they also detracted from it, for Mr. Dulles was sometimes moved to equate diplomatic problems with moral absolutes—a trait which could be a handicap in a profession which frequently requires devious approaches to attain advantageous ends.

Mr. Dulles' indiscriminating addiction to the prescription of unending foreign aid stemmed from the same impulse—that foreign affairs are hardly to be distinguished in some of their aspects from the do-gooding promptings of social work.

Yet, when all is said and done, Secretary Dulles stood off the Communists, yielded nothing to them, and left them with the sure understanding that the United States was willing to fight, if need be, to preserve a world in which decent people might live. His policy of firmness worked, if it is to be judged by the only possible criterion—that the Communists turned away from the challenge.

This man deserves well in the estimation of his countrymen. They wish him comfort and peace in the days ahead, and they may hope that the example he has provided will live on in the memories of those to whom he must now reluctantly pass the high responsibilities of a post in the front-line against the enemy.

[From the New York Herald Tribune, Apr. 16, 1959]

#### MR. DULLES RESIGNS

Even though it was clear since his return from Florida on Sunday that John Foster Dulles could not continue to carry the great burden of his office, his resignation is a sorrowful blow to this country. For six long and exhausting years, he has dominated the policies of the Western World, shaping them and prosecuting them in one of the most remarkable careers a Secretary of State has ever enjoyed. His will and his energy left their stamp on almost every government, including that of the Soviet Union. But even his great strength could not overcome a cruel disease. His resignation is the more poignant because it speaks all too clearly of his personal tragedy.

A great part of Mr. Dulles' power as an American statesman has come from his unflinching conviction of the probity of American purpose in the world. It is this quality which set him apart from the traditional image of the diplomat, and which sometimes caused him to be misunderstood, both at home and abroad. There were some things, in his view, that could not be subject to bargaining, and chief among these was moral principle. This position always won him respect, if not agreement. And when he returned from his last, courageous trip to Europe in December and went into the hospital, the prospect of his absence from the international scene filled our allies with dismay. Such is his eminence.

Few Secretaries of State have had such preparation for office. Mr. Dulles attended his first international conference at 19. Even before he joined the Cabinet in 1953, he was an important diplomatic figure. He had a hand in the United Nations Charter. He was the Republican adviser to three Democratic Secretaries of State. He drafted

the peace treaty with Japan in 1951—one of his proudest achievements. From the time he took office in January 1953, he embarked on a series of journeys around the world, conducting negotiations with heads of governments in their own capitals. One day in Cairo, another in Saigon, another in Manila, another in Paris, he transformed his office into an instrument of dynamic leadership in international affairs. His presence was perhaps most felt when a turn in the cold war had caused discouragement or sapped initiative. Then, his brave dedication to freedom lifted spirits and sharpened determination. More than any other man, he is responsible for keeping the Communist empire in check.

For all his dedication, Mr. Dulles is a master of diplomacy, and his skill will be missed as much as his strength. Fortunately, his long and intimate relationship with President Eisenhower, and with the men in the State Department, assures us that his methods as well as his basic policies will continue to guide the conduct of our foreign affairs. And, of course, it is cheering to know that he will stay on as foreign policy consultant. In the coming negotiations with the Soviet Union, his advice will be invaluable.

President Eisenhower has led the Nation and the world in paying tribute to Mr. Dulles—his wisdom, his devotion, and his courage. He is, indeed, a great public figure, and nothing that has happened or will happen can alter his stature.

[From the Christian Science Monitor, Apr. 16, 1959]

#### DULLES, THE DEFENDER

Americans of all shades of opinion will deeply regret the circumstances which have forced Secretary Dulles' resignation. Even those who have disagreed sharply with him on occasion will pay tribute to the devotion, energy, and intelligence with which he has served the Nation for 6 difficult years.

It must be gratifying to Mr. Dulles to note that both at home and abroad there is today wide appreciation of that service. At no point in the 6-year period could he have stepped down with more support for his basic position. This is not merely a new understanding and sympathy for the man; it is a renewed recognition that diplomatic defense of the free world must be resolute. Nikita Khrushchev's deliberate provoking of the Berlin crisis has again awakened millions in both hemispheres who had forgotten too much history.

It has not always been easy to grasp the Dulles day-to-day line. For a man trained as a lawyer in careful use of words the Secretary at times seemed strangely prone to create unnecessary difficulties with things he said. His handling of the Aswan Dam affair has been most widely criticized. And his Goa statement seemed remarkably insensitive to Indian feelings. But generally he has been widely acclaimed as a diplomatic technician. Most of the opposition to Mr. Dulles has arisen among those who felt his basic position vis-a-vis the Soviet was too rigid.

Discussions of foreign policy would get closer to realities if the words "appeasement" and "rigidity" were both eschewed. "Brinkmanship" also is open to misunderstanding. The diplomat taking a stiff bargaining position is not necessarily inflexible. Mr. Dulles showed he could "flex" on Quemoy. Also on free elections for German reunification. Our own chief objection has been that he seemed most of the time to be taking a defensive position, merely countering Soviet moves. But he had to work with allies, and concerting initiatives for an alliance is not easy.

The foreign policy of the United States is far bigger than any man. Much of what

Mr. Dulles has stood for was implicit in the "containment" course followed by Washington since 1947. The President's personal loyalty to Mr. Dulles may have obscured this fact. He will need to make plain now that whoever comes in as Secretary of State has his full confidence and is carrying on not a personal but an American policy.

The time may be ripe for some fresh and imaginative approaches in foreign policy. But it will be well for all to recognize that a basic and bipartisan continuity is essential. The essentials remain—to seek peace unremittably; to maintain enough military power to deter aggression; to support by moral and economic means the ideals of freedom and justice everywhere.

[From the Washington Post, Apr. 16, 1959]

#### MR. DULLES AS SECRETARY

It is always sad when a valiant soldier must lay down his burden. The physical necessity for the resignation of John Foster Dulles as Secretary of State has been well understood, but the fact itself occasions a moment of extraordinary pathos. There were tears in President Eisenhower's eyes yesterday, and the sentiment undoubtedly was shared by many around the free world, not necessarily because they have agreed with Mr. Dulles, but because they have admired his courage and unswerving devotion to his principles.

Yet there must be great satisfaction to the outgoing Secretary that he leaves his office at a time when his reputation is at a pinnacle. The storms of previous years that blew around him have largely dissipated, and doubts and discord have been replaced with real affection—as much abroad as at home. No doubt much of this respect has been focused by Mr. Dulles' position on Berlin and the German problem. But much also has stemmed from recognition of his steadfast adherence to his convictions. Perhaps it took the Berlin crisis and Mr. Dulles' illness to demonstrate what a source of strength he has epitomized. He has been the towering figure, not merely in the Eisenhower Administration, but also in the Western Alliance.

It is unnecessary, in a current appraisal of Mr. Dulles' 6 years as Secretary of State, to gloss over the points of past criticism. Mr. Dulles himself would not appreciate that. Some of the disagreements loom small in retrospect. Others represent basic differences of approach. On many points his strategy has seemed better than his tactics.

There was, for example, the much-publicized philosophy of brinkmanship which Mr. Dulles himself must take responsibility for having advertised. Certainly it caused far more apprehension than public expression of the concept was worth, even as a tool for coping with the Kremlin's machinations. There was the doctrine of massive retaliation which, insofar as Mr. Dulles voiced it, has shown itself to be far from an adequate posture of defense. There was the flirtation with "liberation," a phony partisan slogan which disclosed a scarcely creditable side of Mr. Dulles.

There also were such excesses of speech as the Goa statement, Mr. Dulles' various pronouncements about neutralism and his occasionally effusive invocations of morality. There was the silly episode in which he refused to permit American reporters to go to Communist China. There were exercises in legalism and attempts to camouflage old policies with Madison Avenue veneer. There was the justified complaint that Mr. Dulles made too little use of staff and encouraged only negligible long-range planning.

But there also were moments of greatness, as when Mr. Dulles recommended the searingly difficult decision to oppose the British-French intervention at Suez. Having played a part in precipitating the crisis by the blunt

manner of his withdrawal of help for the Aswan Dam, and having contributed to the estrangement of Britain and France, Mr. Dulles worked with enormous earnestness to heal the split and repair the damage. His course helped preserve the usefulness of the United Nations, and it may also have prevented world war.

After years of opposition to any acknowledgment of Communist China, last autumn Mr. Dulles did make a major change of policy by disavowing Chiang Kai-shek's ambitions on the mainland. The United States is not yet out of its dubious Quemoy involvement, but in the circumstances the Dulles stand seemed to deter Communist aggression. However unclear the purpose at the time, the American intervention in Lebanon brought a measure of stability in the Near East. Mr. Dulles also must receive applause for what in the net is a good record of economic responsibility in world affairs on the part of the Eisenhower administration.

Finally, of course, there is the issue of Germany. Mr. Dulles combined firmness on the military position with a willingness to discuss various possible approaches to larger agreement. In this he showed awareness of the importance of turning the onus on the Soviet Union. The recent squabbles among the Western Allies illustrate how much Mr. Dulles is missed.

At the same time it can fairly be said that there has been no marked advance in the Western position under Mr. Dulles' leadership. He has been an apostle, as it were, of containment. The various pacts he erected in Asia and the Middle East—pactomania, his policy was called—were aimed at preserving the status quo. There is wide agreement with his thesis that the Communists will make trouble wherever there is weakness, but he displayed little or no initiative to try to roll the Communists back or negotiate a stabilization.

In part Mr. Dulles' approach has appeared to derive from his conviction that because communism is evil the Communist society eventually will crack up. There is little disagreement that communism is evil, but there is little evidence, either, that the Soviet state is in fact cracking up. On the contrary, most of the evidence indicates that it poses an increasing challenge which is still too little appreciated in either economic or military terms.

There have been few settlements under Mr. Dulles, and in some places—notably in Indochina in 1954 and now in Iraq—the Western interest has been set back. Yet containment, or preservation of the status quo, is no mean achievement. Perhaps it is all that could have been achieved. Mr. Dulles' approach has been essentially conservative, but it is useless to argue whether more initiative would have produced happier results. No one can prove his course wrong.

Certainly the Secretary demonstrated the capacity to grow in his job. He fought many unsung battles within the administration, on nuclear tests and other issues, without a word of complaint when his hand was suddenly weakened. If he continued to keep policy too much to himself, to be too much the lawyer engaging in brilliant improvisation, he refined many of his techniques and learned to avoid many of his earlier errors.

He won strong supporters among both parties in Congress after his initial experience in making concessions to the Republican right-wing irreconcilables which he probably did not have to make. He seemed to enjoy his frequent meetings with the press and was more adept than any other Cabinet member at using the news conference as a forum. Although he occasionally sacrificed both issues and personalities, he did a great deal to advance the acceptance of internationalism as permanent American policy.

Mr. Dulles learned early that no effective Secretary of State can expect to be popular.

He had a curious affinity on many fundamental points, although neither may like the comparison, with his predecessor, Dean Acheson. Above all, he made broad use of a first-rate mind. Whether or not one concurred with his decisions, it was a joy to witness the exercise of his wit and intellectual power.

It is far too close to Mr. Dulles' service to evaluate the significance of his contribution with any depth of perspective. It is clear, however, that his retirement after a diplomatic career that goes back intermittently 52 years to the Hague Peace Conference of 1907 leaves a vast hole that cannot readily be filled. As he marshals his strength for what everyone will hope can be continued service as an adviser, he can be sure that his conscientiousness, energy, and dedication have won him the profound gratitude of his countrymen.

[From U.S. News & World Report, Apr. 27, 1959]

#### THE MAN WHO HAS KEPT US OUT OF WAR (By David Lawrence)

John Foster Dulles will be known in history as the man whose bravery kept his country out of war. For it takes no courage to appease, to retreat, to accept the promises of an unscrupulous enemy at a time when it is being urged that "concessions" and "compromises" are the way to avoid bloodshed.

It takes no courage to argue that, because the Communists are strong militarily and have already achieved a sort of "right of conquest" in Eastern Europe, we must therefore "accept the status quo."

It takes no courage to become so "flexible" as to desert moral principles in international life.

It takes no courage to yield to the temptations of domestic politics and to seek political advantage by claiming to be a crusader for "peace"—even if it's peace at any price.

But it does take courage to fight the insidious doctrines of those, inside and outside of our Congress and the parliaments of the West, who think that the easiest way to deal with your adversary is to appease him.

One reason why John Foster Dulles has been able to see through the deceptive tactics of the Communists is that he has had a long experience in diplomacy—covering perhaps the longest span of any living American.

The critics of the outgoing Secretary have been so preoccupied with one objective in the last 3 years—to force the resignation of Mr. Dulles—that they have discounted his consummate skill in dealing with the ever-changing wiles of the Communists.

Thus there has been no lack of conferences at high level with the Communists on almost every subject—from the question of suspending nuclear tests to the matter of "cultural" exchanges. Even the artificially stimulated campaign to secure the admission of American press correspondents to Red China resulted in Mr. Dulles making a concession only to find, as he had suspected, that the Communists were not sincere. For they immediately insisted on a diplomatic package involving, in effect, the right to send a host of espionage agents into the United States as the price of admitting American newsmen to the Chinese mainland.

The critics have made much of the "liberation" policy advocated by Secretary Dulles. He never implied that America would use force to liberate Eastern Europe, but his opponents mischievously distorted his words in trying to impute such a purpose to him. By upholding the cause of peaceful liberation as a goal, he has kept the fires of freedom burning in the hearts of the peoples of the captive states.

Among those who so often have assailed Mr. Dulles for the phrase "massive retaliation" are many of the unwitting appeasers. They shortsightedly took his words to be an empty threat. They shuddered at a policy of resoluteness. Yet this is the only way to warn a potential enemy not to miscalculate our strength or our purpose.

Today "massive retaliation" is the embodiment of the military power of the West, though there has lately been more frequent use of the phrase "deterrent power." Actually, peace rests today on the knowledge in Moscow that an atomic attack on any country now a member of the North Atlantic Treaty Organization will result in a massive blow from our bombers based both overseas and in this country.

To John Foster Dulles belongs the accolade for having effectively warned the men in the Kremlin of what America would do if they started any general attack. President Eisenhower deserves the greatest credit for his unswerving support of these policies.

The strength of our determination has been tested at Quemoy and in Lebanon and in Indochina and lately in the West Berlin crisis. At no time has there been any doubt that Mr. Dulles would recommend military action in our defense if he thought it necessary. He was chastised in the press for using the phrase "brink of war." This has often been sarcastically referred to as "brinkmanship." Yet it is this basic readiness to fight if necessary—to let your enemy know you are willing to risk war to avoid war—which is the essence of "brinkmanship."

It is to be regretted that in the 1930's we didn't let Hitler know that Britain and France and America would join in fighting him if he started a war. He was convinced that, with the Soviet Union as an ally on his eastern flank, he could quickly finish off the Western countries. It took a tremendous sacrifice of human beings to show the Nazis the error of their way. May no such demonstration of error ever be necessary again.

If a world war is averted in the next decade, it will be because in the United States, irrespective of whether a Republican or a Democratic administration is in power, the principles that have been applied by John Foster Dulles in shaping America's policies in world affairs have been faithfully followed by his successors.

[From Time magazine, Apr. 27, 1959]

JOHN FOSTER DULLES—"A RECORD CLEAR AND STRONG FOR ALL TO SEE"

Sharp at 9 a.m., January 22, 1953, John Foster Dulles showed up for work in his fifth-floor office at the State Department, a tall, austere-looking man, eyes wary, mouth turned down at the corners, shoulders hunched, necktie slightly off-center. He sat down behind a big desk across from a big grandfather clock, surveyed a couple of portraits that he had ordered hung—one of his sideburned grandfather John Watson Foster, U.S. Secretary of State 1892-93 (under President Benjamin Harrison), the other of his uncle Robert Lansing, U.S. Secretary of State 1915-20 (Woodrow Wilson). On a small table within reach of his swivel chair, he laid out three books that through decades of international law and diplomacy he had rarely been without. The books: Stalin's "Problems of Leninism," "The Federalist" papers, the "Bible."

"Soviet Communism," the new Secretary of State had written of Stalin's "Problems of Leninism," "starts with an atheistic, goddess premise. Everything else flows from that premise. If there is no God, there is no moral or natural law. \* \* \* Since there is no moral law, there is no such thing as abstract right or justice. Laws are the means, the decrees, by which the dictatorship of the proletariat enforces its will for suppressing the resistance of its class enemies. \* \* \*

There is a duty to extend this system to all the world."

"Our founders," the new Secretary had said of the other two books, "represented many creeds, but most of them took a spiritual view of the nature of man. They believed that this Nation had a mission to help men everywhere to get the great opportunity to be and to do what God designed. \* \* \* Freedom cannot be contained—it is all-prevailing. \* \* \* It is the despots who should feel haunted. They, not we, should fear the future."

In the 6 years that followed, it was the contribution of John Foster Dulles to his countrymen and to freedom that he best defined and actively waged the cold war in those terms. "The arena is vast," he wrote in his book, "War or Peace." "It embraces the whole world, and all political, military, economic and spiritual forces within it." And as he handled the unending procession of Communist-made crises—Korea, Indo-China, Formosa Strait, Iran, Guatemala, Jordan, Lebanon, Quemoy, Berlin—he threw into the cold struggle all of freedom's political, military, economic, spiritual strength. Specifically, he:

Developed the NATO collective-defense system from a Europe-first position of strength into a world network of alliances, offered U.S. friends U.S. military and economic help against aggression and subversion if they wanted it, gave millions of freemen a new sureness, a new basis for hope;

Maneuvered U.S. land-sea-air power across thousands of miles, stopped the Communists at the pressure points, slowed down the rate of Communist military adventures when he warned the Communists that the United States would not necessarily meet the enemy on the enemy's chosen battlefields, but would retaliate, instantly, by means and at places of our choosing;

Threw the whole weight and wealth of U.S. influence behind the big European surge toward private enterprise and middle-class prosperity that mocked the basic Communist doctrine of class struggle, worked continually to bring to Western Europe some form of political-economic unity;

Proclaimed a peaceful Western offensive in the doctrine of liberation—a doctrine, as he wrote in 1952, by which he did not envisage bloody uprisings but hoped to keep alive the nationalist hopes of captive peoples, to the point where the Russians would have to yield increasing amounts of independence to dampen restlessness (setbacks for the doctrine: The 1956 bloodletting in Hungary);

Attempted new approaches to the surging neutralist nations of Asia, Africa, Latin America, but failed—over the short run—to convince them that there could be no neutralism in a universal struggle, was less effective in handling crises in which communism was not directly involved, e.g., his blow-hot, blow-cold performance on U.S. help for Egypt's Aswan Dam.

As he followed his guidelines, Dulles was a superb tactician. Traveling an astonishing 559,988 miles in 6 years, he worked tirelessly to keep diverse peoples and leaders united in common purpose and also to educate himself; he negotiated skillfully at scores of world conferences. When he moved out ahead of public opinion, as he did in trying to push the European Defense Community and to save Quemoy and Matsu, he could yield with a lawyer's tactical skill, always returning to his theme when the times had caught up with him.

But above all, Dulles was the clear, stern conscience of freedom. Said Dulles: "Our Nation must stand as a solid rock in a storm-tossed world \* \* \*. Rededication to the faith of our fathers is \* \* \* what is needed to make apparent the futility of any world program based on the suppression of freedom."

#### BRINKS OF WAR

From this sure base Dulles faced up to his times with an unusual diplomatic consistency. His first battleground: the Far East. His first decision: the scores of struggles underway along Red China's borders and from Korea to Malaya should be rated and met as one. His first move: the United States ordered the Seventh Fleet, then under orders by President Truman to neutralize the Formosa Strait, to desist from protecting Red China against any Nationalist China attack. At once his critics derided President Eisenhower for unleashing Chiang, but Dulles had the argument of later events on his side. Red China shifted thousands of troops from the North China-Korea theater to the newly threatened coast.

Dulles moved on from there to settle the intolerable situation in Korea, in which the Kaesong-Panmunjom truce talks had dragged on for 18 months while U.S. and U.N. forces suffered thousands of casualties a week. He informed Red China, through India's neutralist Prime Minister Nehru, that it would have to conclude the Panmunjom talks or risk an all-out U.S. drive to win the war. Red China signed. Dulles was improvising, experimenting, learning as he went along. His next move: Indochina. First, Chairman of the Joint Chiefs of Staff Admiral Radford recommended U.S. naval airstrikes to help the beleaguered French, but Dulles was against it, and the President vetoed this plan; subsequently, the French handed over North Vietnam (population: 14 million) to communism. But after that, the United States haltingly, then decisively, threw U.S. support to a shaky new Nationalist government in South Vietnam, helped negotiate and set up a brand new Southeast Asia Treaty Organization ("Pactomania," said the critics) that has faced up to communism in Southeast Asia ever since.

When, in early 1955, the Communists launched concerted attacks against Chinese Nationalist positions up and down the Formosa Strait, Dulles took it as a crucial probe of U.S. intentions. His response was immediate and unmistakable. The President sought and got a congressional resolution of support for U.S. defense of Formosa and the Pescadores; the President followed that up with a personal letter to Nationalist China's Chiang promising support at islands Quemoy and Matsu. Result: the Communists backed off, and the whole Red China offensive, rolling ever since Mao Tse-tung came out of the Yen-an caves, was bogged down.

#### SHOWDOWN 1956

In central Europe the cold war entered another phase. On communism's side of the Iron Curtain Stalin had died, plunging the Kremlin into years of medieval intrigue while Nikita Khrushchev emerged as new dictator. On the Allies' side, the phenomenon was the emergence of Western Europe, through the Marshall plan recovery and its own industry, as a hopeful, prospering showcase of what freemen could do. At Budapest, in October and November 1956, Hungarian freedom fighters, workers, students, soldiers proved the Communist puppet government to be a hollow sham, revealed in 5 days of freedom, looked to the United States and the U.N. for help. The United States had no plan of action, and the revolt was smashed, but with it were smashed Communist pretensions of benevolent big brotherhood and Moscow's hopes for reliance on satellite armies.

One complicating factor in Hungary—which doubtless made Moscow bold—was that simultaneously the West was involved in the tragic affair at Suez. The buildup to Suez: (1) Dulles angered Egypt's Dictator Nasser when he pulled back U.S. aid from the Aswan Dam in retaliation for Nasser's acceptance of Red arms; (2) Nasser seized the Suez Canal; (3) Dulles tried with U.S. allies, with the U.N., to work out a solution and

failed. But when Britain, France, and Israel launched a sudden attack against Egypt without notice to the United States, Dulles took the toughest stand for principle of his career. Said he, extemporaneously, in one of his finest speeches at the U.N.:

"If we were to agree that the existence of injustice in the world \* \* \* means that the principle of renunciation of force is no longer respected, then we would have, I fear, torn the [U.N.] Charter into shreds, and the world would again be a world of anarchy. It is still possible for the united will of this organization \* \* \* perhaps to make it apparent to the world \* \* \* that there is here the beginning of a world of order."

Through 1957, while the United States was in an economic recession, while the U.S.S.R. fired the first ICBM and put up the first space satellite, Dulles was the free world's "unpopular man." "Damn'd Dulles," swore an Indian lawyer. "He is responsible for the tensions of the world. He is not allowing the Americans to come to terms with the Russians." "Theologian" cried a French Cabinet Minister. "Eisenhower is the mystic. Dulles is the theologian." His critics increasingly rallied behind a "new approach" to world communism based upon (1) recognition of Red China, and (2) disengagement in Germany to make what they called "a thaw in the cold war." Critics' choice: a "parley at the summit," presumably similar to the one in which the Russians had promised to work toward reunification of Germany by "free elections" back in July 1955.

But through 1958, as is history, the tough old Secretary, who in 1956 suffered his first bout with cancer, fought up from his low point, won a limited deterrent victory in Lebanon (Eisenhower doctrine), a strong deterrent victory at Quemoy. Even as Quemoy was being fought out, the Communists opened up a propaganda offensive in Berlin. Dulles' response: (1) The United States would stand fast in the city; (2) the United States would, because some of its allies wanted to, be willing to negotiate on an all-German settlement but would yield on no basic points; and (3) any agreement with the Communists must be self-enforcing.

"There is a lesson," said he. "We have an armistice agreement with the Communists in Korea. But \* \* \* the Communist side violates every provision of that agreement except the one provision that we enforce; namely, that they shall not advance militarily." A thaw in the cold war? Said Foster Dulles, and Tibet and Iraq were proving him a sure prophet as usual: "Well, Mr. Khrushchev is in a much better position to judge than I am. He lives in the north country where the icy blasts come from."

#### ZEST FOR PEACE

When he stepped down last week, Secretary Dulles knew that his success, for all his efforts, had been limited. The limits: (1) The cold war's boundaries in 1959 were much as they had been in 1953—the rollback had been in men's minds, not real estate; (2) the Communists were still driving hard in the Middle East, threatened to make Iraq their first potential conquest since North Vietnam; (3) the Communists were showing by their scientific achievements that there were many more fronts to the cold war; (4) the West's resolution, amid all the talk about flexibility, disengagement, showed some signs of tiring. But these limits of success as Dulles saw them were only more arguments for more sacrifice, for more devotion to duty to meet a challenge that was sustained.

And as he thus imprinted his wisdom, determination, shrewdness, and dedication on freedom's cause, the Secretary left behind him his last word that successors would walk away from at their—and freedom's peril:

"To deny external successes to international communism is not merely a negative,

defensive policy. It accelerates the evolution within the Sino-Soviet bloc of governmental policies which will increasingly seek the welfare of their own peoples rather than exploit these peoples in the interest of world conquest. Freedom must be a positive force that will penetrate. \* \* \* Freedom is still a magnet that attracts. If the non-Communist nations hold fast \* \* \* above all, if they demonstrate the good fruits of freedom, then we can know that freedom will prevail.

John Foster Dulles, great Secretary of State, once added a personal postscript: "This quest for peace can be an enthralling adventure. Everyone has a part to play. We have the opportunity to prevent the suicide of humanity."

It is my prayer and hope, as it is, I am sure, the prayer and hope of every thinking American that somehow this man's life may be spared so that his great talents and influence may continue to be useful to America and to the world.

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

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

Mr. HALLECK. Mr. Speaker, I count it as one of the greater privileges of my service here in the Congress of the United States to have known John Foster Dulles as a friend.

I will say flatly that in my considered opinion, he has earned a place in the history books as one of America's truly outstanding Secretaries of State.

Few men have served in this capacity during more trying circumstances; none has met his responsibilities with more courage, more wisdom, more patience, or with greater dedication to the interests of our people.

Much has been said and written of his marathon travels in pursuit of understanding among the nations of the world.

It is probably safe to say that at this moment there is no man alive who has a wider personal acquaintance with the leaders of the nations of this earth than Foster Dulles.

He has been willing to go anywhere, and at anytime, to help bring closer to realization that which all men of good will seek—a just and honorable peace.

Of Foster Dulles it may also be justly said that he has given a last full measure of his energies to the cause he has served with such distinction through the years.

I am sure I voice the sentiments of a grateful nation when I say the loss of his experience and great capacities, through physical disability, is a tragic blow to the free world in these critical times.

And I am certain I speak for all of his fellow citizens when I say that we admire the monumental fortitude Foster Dulles is showing in his battle against a cruel illness.

He has set a memorable example of devotion to duty for those of us who must carry on, and we are all richer for the contributions he has made to mankind.

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

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

Mr. JUDD. Mr. Speaker, I am grateful that our colleague from Iowa has taken this time to pay high tribute to one of the noblest men, one of the finest public servants and certainly one of the greatest civilian heroes our country or any country has ever had.

John Foster Dulles was brought up as the son of a Christian minister. As a boy he must have read that wistful story in the ancient Scriptures about one of the greatest leaders of all time who after bringing his people through unbelievable privations, difficulties, external enemies and internal storms, was not himself permitted to enter the Promised Land.

It must have been heartbreaking frustration for Moses to lead his people through years of trials and tribulations and not be able to go on with them to the final victory. But there is no record of sadness or resentment on his part. He knew he had made the final victory possible.

There is a similar element of pathos in the story of Mr. Dulles. And I know there is sadness and regret in the hearts of millions of Americans that he is being denied the opportunity to play through to final triumph the world drama in which he has been the single most prominent actor for more than 6 years.

Yet no one can ever feel sorry for John Foster Dulles when one considers the total contribution this man has made to history. What a record of achievement.

I have had the privilege of working rather closely with John Foster Dulles since September 1944. He had one of the finest intellects that I have ever known. He had an extraordinary capacity to grasp total situations and to present the issues involved lucidly, concisely, persuasively. Some people said his was a cold intellect. Yet, I have never heard more moving statements of the reasons why the United States had to stand for certain fundamental principles that were the very foundation stones of its greatness than I have heard from the lips of John Foster Dulles.

He had superb skill in dealing with people, both friends and adversaries. He was trained as an international lawyer and it was his business to prevail for the cause he represented. Some people called his ability to keep his own counsel on occasion, or to shift tactics, deviousness. Well, no quarterback is of much value to his team unless his approach to the opposing quarterback is devious. Mr. Dulles was a chess player; he was champion chess player when a student at Princeton. And, he was dealing with Russian leaders, notoriously champion chess players. No chess player ever explains all his moves to his opponent or to the kibitzers watching over his shoulder if he wants to win the game. He can be a successful quarterback or chess player only if he is devious in his plays. That is why the Communists sought so tirelessly to discredit him. He was as skillful in working for freedom and justice as they are for the subversion of freedom.

He had indefatigable physical energy and endurance. I have never seen his



equal. He would get in at 10 o'clock in the morning from trips all over the world and be testifying before our committee at 2 o'clock in the afternoon, reporting and interpreting to us in his clear, comprehensive way the key experiences of the trip and the lessons to be learned from them. As the gentleman from Iowa has said, certainly the expenditure without stint of his own vital life force must have contributed to the speed with which his terrible affliction finally broke through his defenses after being apparently dormant for 3 years.

Perhaps the finest and most important quality of John Foster Dulles is his high sense of duty, his dedication to eternal moral values. Some have said that his policy as Secretary of State was rigid and sterile—I suppose because he was not always pursuing the Communists, trying to surrender to them, so to speak. But his policy was not sterile; on the contrary it has been extraordinarily productive. As a result of his steadfastness, it has been the Communists who have been pursuing him, to get us to go to the summit, trying to get us to yield here or there, especially wherever we are strongest. Steadfast adherence to the truth and to human freedom is not a weak reed to lean upon in any human relationship. Mr. Dulles, as much as anybody I have known, has demonstrated a steady, unwavering faith that if you do what is right, the universe is so constituted that the forces in it will be working on your side. You can deny that wood has a grain and you can plane against the grain, if you wish; but John Foster Dulles was certain that there is a grain and our job is to find out how that grain runs, what is the right thing to do, and then patiently and persistently and untiringly go that way.

Mr. Speaker, it is a good thing for us to pause today, not only to pay deserved tribute to Mr. Dulles, but to learn for ourselves some of the secrets of his strength and the reasons for the successes achieved.

Mr. Dulles, along with his faith, or as a result of it, had an unwavering will. Oftentimes people talk about our great power as a Nation; but actually there is no such thing as power without the will to use it, when necessary. Mr. Dulles had such a will, our enemies recognized it, and backed off from the dire things they threatened. His firmness brought his country peace.

Naturally the Communists tried by every means to get rid of him. It always amazed and disturbed me how some Americans took up for a time the Communist chant, "Mr. Dulles must go." When asked for their reason, it generally boiled down to a feeling that we must get as Secretary of State some one whom the Communists liked better—as if their choice would be based on what is good for the United States.

Mr. Dulles took plenty of criticism, even abuse; I am glad that he has lived long enough to know the great gratitude and appreciation that exist today in the hearts of all his countrymen. He has pointed the way which, if we continue in it, I am perfectly confident will lead to an end of this awful nightmare which we are enduring.

Mr. Speaker, I join in hoping that, even though we know it is a malignant disease with which he is afflicted, somehow or other a miracle may still take place and he be spared for his family and his country. Our hearts go out to this dear friend and devoted public servant.

I thank the gentleman from Iowa for yielding to me.

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

Mr. SCHWENGEL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, on a number of occasions I have expressed the deep respect and the strong admiration that I have for John Foster Dulles. I have admired him for his fine moral outlook on life; his refreshing idealism as well as his grim determination and his courage. I think the finest compliment anyone could pay him was paid him by the leaders in the Kremlin in their various attacks upon him throughout the years, because the fact is that they feared him, because of his grimness and his determination, his courage and his great capacity.

One could talk for a long while about John Foster Dulles and on occasions in the past I have expressed myself more fully than I shall today. But I should like to add my voice to those of the gentleman from Iowa [Mr. SCHWENGEL] and the gentleman from Minnesota [Mr. JUDD], and the minority leader, and to concur in what these gentlemen have said about this great American. In my opinion, as time passes and the historians of tomorrow evaluate and write the history of today outside of the influence of emotionalism, they will record John Foster Dulles as being one of the greatest Secretaries of State of our country.

I hope the present Secretary of State whom I know personally has carried with him to Geneva some of the determination and the grimness of John Foster Dulles. I hope that he knows the Communist mind as John Foster Dulles knew it. Unless one understands that the origin of the Communist mind is hate, he will misinterpret what they say and what they do.

John Foster Dulles knew the mind of the Communist, his origin and his thinking, and from the angle of our country he interpreted the meaning of the expressions of the Communist leaders as well as their actions. He knew that weakness was accepted by them as something to be exploited in their favor. He knew that one could negotiate, but had to negotiate from a position of firmness and not to retreat. John Foster Dulles knew the Communist mind. He knew that any uncertainty of leadership, any uncertainty of policy, was exploited by them. While he negotiated from time to time, he always did so from a position of firmness and he never retreated.

I hope that our representatives at Geneva now will keep that in mind. It is all right to negotiate, but be firm and never retreat; because I consider the meeting going on at Geneva now to be the most important one in this long period of the so-called cold war, and that out of it will come either strength

for the free world or weakness for the free world. And weakness on the part of the free world would mean the road to appeasement.

John Foster Dulles knew the dangers of the road to appeasement. We miss him very much at this time. We wish him well, as my friend from Iowa has so beautifully said in his remarks. We sincerely hope that God will shower an abundance of His blessings upon him through the improvement of his health, and that he will be able to give to our country and to mankind the benefit of his genius through advice. His advice is still sorely needed. But more than that, what we need is the spirit of John Foster Dulles, not only in the minds of the officials of our country in the executive and in the legislative branches of the Government, but among our people, because the spirit of John Foster Dulles is nothing but the spirit of the crusaders of old.

Mr. SCHWENGEL. Mr. Speaker, I thank the distinguished gentleman from Massachusetts, the majority leader. I thank the gentleman from Minnesota [Mr. JUDD], whom I consider to be one of the ablest men and one of the best authorities on foreign policy and especially as it relates to the Far East. I also thank the distinguished minority leader.

As these gentlemen were talking, I could not help recalling those lines in that great poem about Abraham Lincoln by Edwin Markham, where he said:

Here is a man to hold against the world,  
A man to match the mountains and the sea.

I could not help thinking how well those words and those lines applied to this great American.

Mr. Speaker, there have been hundreds of editorials written about John Foster Dulles. I have taken the liberty to sort out some of them. I have seven editorials here that I think are typical and I should like to ask unanimous consent that they be placed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### THE POLES AT MONTE CASSINO

The SPEAKER pro tempore (Mr. BOLING). Under the previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 20 minutes.

Mr. PHILBIN. Mr. Speaker, on the 15th anniversary of the victorious battle at Monte Cassino which was waged by the 2nd Polish Corps then fighting in Italy with the British Eighth Army, it is most appropriate that we should pause to recognize and commemorate this great victory for liberty, since it contributed materially to the winning of one of our great World War II campaigns.

My distinguished friend, Monsignor Andrew Lekarzyk, Chairman of Our Lady of Czestochowa Foundation of Webster, Mass., has forwarded me an eloquent tract commemorating that notable battle. His remarks are so forceful, well documented and impressive that I proudly make them part of my commemorative speech.

The American people and the allies were deeply touched and very grateful at the time to the gallant Polish boys who fought so courageously and bravely without a thought of themselves in this historic campaign. Their brilliant, heroic performance in this battle has become the living symbol of the bold struggle for freedom waged by the Polish nation, and, particularly in these days, its resistance to Soviet brutality and tyranny.

It is pathetic, however, that the gratitude and admiration felt for our noble Polish wartime Allies should have been followed so soon by ill-fated, diplomatic concessions which turned over the God-fearing, freedom-loving Polish people to the heartless brainwashing and calloused subjugation of Soviet masters.

Time and time again I have protested against the unspeakably shortsighted, ill-timed and ill-advised policy which unceremoniously swept aside the historic guarantees of Polish freedom and self-determination, carved up the historic boundaries of that stricken nation and allowed the Soviet horde to establish a puppet regime ruthlessly suppressing cherished rights of free religion, free conscience, free speech and free press and every other treasured right of free men and women.

How can lasting peace in that country, or any other country, rest upon stark, ruthless oppression and tyranny?

How can the democratic nations professing their love for free institutions expect any self-respecting, liberty-loving nation like Poland ever to buckle under the mailed fist of merciless Red communism?

How can a great people like ourselves, and the other great free peoples associated with us, ever be resigned to the plight of our great comrades in arms suffering under the lash of Soviet ruthlessness and inhumanities to man?

How can we, as the leaders of the free world, remain unmoved and unconcerned about the shackles of slavery that cruelly bind so many noble souls, consigned in so many instances, to living conditions stripping them of every vestige of self-respect, honor, decency and liberty?

How can we, as a free nation, remain untouched by the pleas of these people for liberation from tyranny? The heart of America beats for freedom and I am convinced that it will never cease to beat for those who have been enslaved and enchained.

We must resolve again and again to help these great people, so valiantly struggling for freedom, to find the way to liberation, freedom and democracy and to the reestablishment under God and under principles of justice and right of their time-honored, democratic government for which so many of their noble people have given their lives to preserve.

Let all Americans and lovers of freedom be pledged again to the cause of Poland and other Communist enslaved satellites who are living in terror, dread, and slavery. Let us move to encourage, hearten and assist them in every way we can to regain their rights as free men

and women and to ordain once again free governments of their choice.

Monsignor Lekarczyk's brilliant and admirable remarks have very deeply moved me because I know of my own personal knowledge his great, unselfish love for his native land and his adopted land, the depth of his sorrow for Poland's present plight and the strength of his prayerful resolution to continue to strive for her liberation. I am honored and proud to quote in full the stirring words of a great American.

I read as follows:

THE 15TH ANNIVERSARY OF THE BATTLE OF MONTE CASSINO, MAY 18, 1959

This date commemorates the 15th anniversary of the victorious battle at Monte Cassino. That battle was waged by the Second Polish Corps, an integral part of the British 8th Army, then fighting in Italy. The Allied armies' offensive, whose objective was the conquest of Rome, broke down at the Apennines peninsula's narrowest point, from Ortona to Minturna. The German resistance stronghold was situated at the summit of Monte Cassino. For nearly half a year, the combined strength of the Allied armies attempted to conquer the summit, the possession of which would open the road from southern Italy to Rome. The first blows in the Aurunci Mountain areas, as well as at Monte Cassino, were struck by the American Tenth and Second Corps from January 20 to 22, 1944. Despite heavy losses, the attack achieved no positive results. Suffice it to recall that the 36th U.S. Division suffered 1,002 dead and wounded during the assault on the Rapido River. On January 25 the Second U.S. Corps, supported by the French Corps, went into action. In order to soften up the fanatic German resistance, American forces landed simultaneously at Anzio, where they held out in unusually bloody fighting until help arrived in May, after the conquest of Monte Cassino. The Second U.S. Corps' offensive was as unsuccessful as were the subsequent third and fourth blows struck by the New Zealand Corps. After the repulse of these four attacks, the German radio informed the world that Monte Cassino was indomitable. Only at the fifth blow from the Allied forces, carried out by the Polish 2d Corps, was success attained. In this uniquely bloody battle, lasting from May 11 to 18, Poles, under the command of General Anders, broke through the Gustave line and raised the red and white flag over the ruins of the monastery. After the shattering of the Hitler line from the 18th to the 25th of May and the conquest of the fortress of Piedimonte, Road No. 6 leading to Rome was open. The Sixth U.S. Corps, harassed by the Fourth German Army near Anzio received its anxiously awaited help. How many American mothers owe thanks to the Second Polish Corps for the lives of their sons. During this heroic fighting, the Second Polish Corps gave the lie to Soviet propaganda which blackened the Poles, saying that they did not want to fight the Germans.

To bring this victory and the Poles' splendid bearing into full prominence, it should be remembered that most of the soldiers of the Second Corps had been confined in Soviet prisons or forced labor camps, or at best deported to Russia, from whence they emerged ill, ravaged by hunger, typhus, and vermin, and that 80 percent of these soldiers were from the Polish eastern territories which in accordance with the Teheran Agreement, were handed over into Soviet bondage. With bitter grief and pain over the treachery he had suffered at the hands of his allies, the Polish soldier went into battle with nazism in order to fight for the dignity of man and the honor of Poland. How justly he did so,

was referred to by the commander of the Fifth U.S. Army, General Truscott, who wrote: "Through their love of freedom, Polish soldiers died for man's liberty," and "Monte Cassino has become a symbol to free people." How sad, and how eloquent is the fact, that a decided majority of these soldiers from the Second Corps and the Polish armed forces did not return to Poland as a sign of their protest at the abandonment of their homeland into Soviet slavery. Many of them are now in the United States. We salute these heroes of Monte Cassino.

#### PANAMA INVASION SIGNIFICANCE

THE SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. Flood] is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, the recent invasion of Panama by some 89 Cuban mercenaries has caused many to ponder that sensationally reported incident of the Caribbean. The questions most frequently asked are: What was its significance and what did we learn?

Complete answers to these queries would be too complicated and voluminous to attempt in a brief statement. But underlying them was, and still is, the ultimate objective of driving the United States from its control of the Canal Zone and Panama Canal. In fact, one part of the plan apparently was to make a token occupation of the Canal Zone.

That the Panama crisis is not over is shown by mountain guerrilla operations since April in the northern part of the Republic, following the pattern of Fidel Castro in Orient Province of Cuba. Were a regime similar to the new Cuban Government set up in Panama, the United States, in view of the abrogation of its guaranty of Panamanian independence and certain other 1903 treaty powers and responsibilities would face a serious situation.

Not for an instant would I wish to criticize Panama or its people, many of whom I treasure as personal friends. But it would be less than candid not to stress that the extreme attitudes and exorbitant demands on the part of its radical leaders as regards the jurisdiction and management of the Panama Canal enterprise and the attempted extension of its maritime waters to surround the Canal Zone, transcend the realisms involved.

It is pertinent to emphasize again that the Republic of Panama grew out of the Panama Canal undertaking, that its independence until 1939 was guaranteed by the United States, and that the isthmus has long been a land of inherent political instability often subjected to the tragedies of revolution. Current press reports would indicate that, despite the efforts of its more thoughtful leaders, this instability still prevails.

Perhaps the most startling revelation of the recent invasion was the failure of Panama, which possesses a National Guard of some 3,000 men, to repel some 89 invaders. Instead, it appealed to the Organization of the American States and the United States to prevent the attempted overthrow of its constitutionally elected government.

One may well ask, if Panama was unable to meet a minor maritime inva-

sion from Cuba how could it repulse an organized attack from adjacent countries? The answer is obvious and emphasizes again the realistic considerations in the Panama situation, if our vital interests are to be adequately safeguarded and the necessity for reassertion of our historic isthmian policy as set forth in House Concurrent Resolution 33, 86th Congress. Our Government will be grossly derelict if it fails to serve notice on all concerned that it will deal summarily with any attempt by revolutionary forces or methods to invade the Canal Zone or any land or water area vital to the operation and protection of the canal.

Touching all these matters it must be borne in mind that there runs through them the distinct and ominous patterns of Communist policy and endeavor.

Fortunately, two U.S. foreign correspondents whose views are buttressed with vast knowledge, Ralph K. Skinner and Edward Tomlinson, have recently written in revealing manner some of the current aspects of the situation which, under leave to extend, I quote as part of these remarks:

[From the Christian Science Monitor, May 8, 1959]

#### OPPOSITION BUFFETS PANAMA'S REGIME (By Ralph K. Skinner)

PANAMA CITY.—The thwarted invasion of this Nation by Cuban mercenaries directed by disloyal Panamanians is seen as another phase—but not the finale—of a crescendo of political opposition here to the incumbent government.

The opposition is of two kinds:

1. Personal antagonism to President de la Guardia himself by political leaders of various groups; and
2. Opposition toward the rule of a family oligarchy system from the middle and lower classes who seek political, social, and economic opportunities denied them by the "super" class ruling Panama.

With the national guard firmly backing President de la Guardia, any revolt would necessarily involve armed strife, but it is undeniable that there is a definite movement here to unseat the chief executive.

#### CHARGES HURLED

The administration recognizes this and has accused the opposition of using treachery, treason, and foreign mercenaries to accomplish selfish personal ambitions with a complete disregard for the good of the nation.

For their part, opposition groups indict the administration with charges of ineptitude, failure to comply with campaign promises, and failure to provide jobs for the people of Panama. It is claimed that the administration has maintained (sometimes with force) the privileged status of the oligarchy which has ruled Panama for 55 years and stifled the social and economic aspirations of the middle and lower classes. Election frauds, misuse of funds, and political manipulation are charged also.

Some opposition leaders may be mollified by legislation just pushed through the national assembly permitting the registration of political parties other than the two which have held a monopoly.

People here generally believe that the change in registration laws was the result of pressure of mountain rebel forces, invasion threats, bombings, and other disturbances. This sets the precedent for similar civic disturbances to achieve other objectives which the administration has refused.

The invasion placed Panama in a ludicrous position before the world. Panama has been

calling on the United States and others to recognize its maturity, to give it increased stature among nations.

#### RUMORS CIRCULATED

The inability of the Republic of Panama to defend itself became apparent when 85 to 89 invaders without communications, transportation, or reinforcements gave the appearance of stymying the 3,000-man national guard force.

Landing of the invaders at a seashore hamlet caused such hysteria among the political leaders and upper class of Panama that the wildest of rumors were circulated. The ruling class saw themselves threatened with destruction.

The man in the street was excited and disturbed by the obvious anxiety and confusion of Government leaders. The people would have been more apprehensive had they known that some of the very top Government officials moved their wives and children into the Canal Zone for refuge.

Local observers have been aware of the weakness of the national guard as a military unit. Originally a police force of national scope, it was elevated to national guard status by ex-President Remon. As a military unit, it is considered a house of cards.

As an instrument of internal control, it has been effective because (1) the people have been cowed by it traditionally, and (2) the people have no arms with which to oppose it. The national guard is the only armed force in the country.

#### WEAKNESS EXPOSED

The invasion crisis exposed its weakness to other nations because of the spotlight of publicity on the Cuban invaders who never were challenged in open combat by the national guard.

Even before the Cuban invaders had landed, urgent pleas for assistance had been sent to the Organization of American States.

This organization called on the United States to furnish arms, ammunition, supplies, and the services of airplanes and naval craft. This was done. Some few other OAS nations furnished token aid.

Panama made no pretense of facing the invaders alone. It implored the OAS for aid immediately. Demands for U.S. military assistance in furnishing arms and equipment were urgent.

This is in contrast with Panama's usual fiery nationalism and demand that no other country "interfere" with its activities.

Nationalism in Panama should not be mistaken for patriotism. Patriotism appears lacking in the political turmoil here, which has been reduced to two simple equations; a battle between the "ins" and "outs," and another between the "haves" and "have nots."

The few citizens here who have been able to preserve an objective viewpoint are of the opinion that the "super" class, the ruling oligarchy, will be forced to surrender soon some of its special privileges and rights and its immunity from normal treatment, or else be driven out.

#### MILITIA CALL STUDIED

Panama's working people and aspiring middle class will not tolerate longer a system which withholds any hope of economic or social advancement for them, observers opine. They have been educated beyond the stage of being slaves or servants for the so-called superclass. Observers here do not believe these people presently are competent of self-government but they certainly aspire for it.

The call to citizens to form a sort of unarmed militia here to supplement the national guard is seen as a device to distract public attention and occupy the attention

of several thousand men who otherwise might be idle.

The most significant accomplishment of the invasion attempt here is the prompt action of the Organization of American States, almost without aid from the Panama Government. Taking decisive action, it served notice to Caribbean revolutionaries what might be expected in the nature of OAS opposition if they attempt an invasion of Haiti or the Dominican Republic. The cohesiveness of the OAS was demonstrated against what could have become a "dry run" of a bigger invasion elsewhere.

#### CASTRO NAME HEARD

Premier Fidel Castro's name was everywhere in mention of the invasion. The invaders included onetime members of his revolutionary forces; he sent army officers to intercede with the invaders; the invaders said they surrendered because of the request of Dr. Castro. Indeed, the invaders suggested that they would not have surrendered without the intervention of Premier Castro.

[From the Washington Daily News, May 11, 1959]

#### NEW PERILS BECKON OAS (By Edward Tomlinson)

The Organization of American States, the peacekeeping body of the 21 American republics, once again has shown that it can be a potent force against political troublemakers in this hemisphere when it asserts its leadership.

Many of its friends felt it had been keeping its head in the sand for the past 6 months while professional revolutionaries in several Caribbean capitals, particularly Havana, threatened.

But it succeeded in acting just in time to prevent a bloody civil war in Panama, and it probably saved the Panama Canal from becoming the center of a nasty international incident.

Unfortunately, hostile forces from Cuba had already landed on the isthmus before the OAS representatives arrived on the scene to investigate. Thanks to quick action on the part of the chairman of the group, Dr. Fernando Lobo, ambassador representative of Brazil, shooting was postponed until the peace emissaries could talk to leaders on both sides.

Meantime, the Panamanian Government had been able to circumvent the movements of Senor Robert Arias, alleged ringleader of the entire movement and lately Panamanian Ambassador to London. Senor Arias may not have been alone in the plot to overthrow the regime of President Ernesto de la Guardia. But ever since the Suez incident he has been demanding the ousting of the United States from the Canal Zone and the internationalization, or nationalization by his country, of the vital waterway.

Some of the members of the ill-fated expedition from Cuba not only have said he masterminded the movement against the Panamanian Government but that it had been a part of the plan to make a token occupation of the Canal Zone.

The initiative and effectiveness of OAS actions, as demonstrated in the Panamanian incident, has had nationwide coverage, but this is not a time for them to rest on their laurels after their accomplishments in Panama. There are several other plots in the making, some of them in Havana, too. There have been open threats to overthrow President Francois Duvalier of Haiti, President Ramon Villeda Morales of Honduras, President Miguel Ydigoras Fuentes of Guatemala, and other duly elected heads of state, as well as the Trujillo regime in the Dominican Republic and the government of President Luis Somoza in Nicaragua.

All these plots are potentially dangerous to the peace of the Caribbean because thousands of revolutionary adventurers and soldiers of fortune in Cuba are now out of jobs

since the triumph of the Castro revolution in that country, and they are ready and anxious to join up with any individual or group if somebody promises to feed and pay them.

[From the Christian Science Monitor,  
May 14, 1959]

**UNITED STATES-PANAMA LINKS FIRM**  
(By Ralph K. Skinner)

**BALBOA HEIGHTS, C.Z.**—The invasion of Panama by a small group of Cuban and other Caribbean mercenaries did little to affect Panama-United States relations so far as the Panama Canal or the Canal Zone was concerned.

The United States promptly delivered arms, ammunition, and supplies to Panama's National Guard and furnished aircraft and naval craft to patrol Panama's water approaches. These items added to the U.S. assistance which Panama has accepted as a matter of course during the past 55 years.

Furnishing the arms may have exposed the United States to future trouble. Panama students and opposition groups have accused the United States of furnishing arms and ammunition to help Panama's National Guard maintain an alleged dictatorship or police state in their country.

Within the past year there have been fatalities in clashes between armed national guardsmen and students and reported rebels. Opponents of the administration bitterly resent the supplying of arms and ammunition by the United States to the only armed force in Panama. They hint at a similarity between this and the furnishing of U.S. arms to Batista in Cuba for use against Fidel Castro's rebels.

**EQUAL SHARE DEMANDED**

The invasion turmoil halted momentarily, but is expected to have no long-term effect on, demands of Panamanian politicians for a 50-50 participation in the gross receipts of the Panama Canal enterprise. This is based on their unilateral assertion that Panama is an equal partner in the U.S.-owned, U.S.-built, and U.S.-operated waterway.

Similarly, the invasion and the various revolutionary outbreaks in Panama preceding it did not have any long-term effect on Panama's claim of territorial jurisdiction for a distance of 12 miles seaward from its shores. This claim has been rejected by the United States because it cuts off the approaches from both oceans to the Panama Canal. In effect, it would force ships transiting the maritime shortcut to pass through Panamanian jurisdiction with possible inspection, delays, and charging of fees for such passage.

**OFFICIALS' ACTS WEIGHED**

No exercise of rights in the area between 3 and 12 miles offshore has been attempted yet by Panama. Local observers expect that an incident may occur to furnish propaganda for Panama to bring the matter before some international court. An opportunity is eagerly sought by some Panamanian leaders to bring the whole question of Panamanian sovereignty over the Canal Zone and participation in Panama Canal revenues before some international tribunal. Thus far, there has been no success.

During the political upset here, attention was focused on the acts of some top officials of the Panama Government.

Newspapers reported that former Foreign Minister Aquilino Boyd, presidential aspirant and now a deputy to the national assembly, used his immunity as a deputy to outwit the national guard. He is said to have brought two leaders of an armed rebel group to the capital city through reinforced police lines. The fugitives were delivered to political asylum in the Chilean Embassy.

For months, Senor Boyd was the official mouthpiece of the Panama Government. As

Foreign Minister he formulated national policy toward the United States. In 1957 he formally opened the Panama University roundtable conference which failed in its attempt to enlist representatives of foreign nations into declaring the United States unfair to Panama.

In the United States, the former Foreign Minister is best known as the instigator of the proposal, termed unrealistic by Panama's President de la Guardia, that Panama should receive a 50-50 share of the gross receipts of the Panama Canal enterprise.

**LEAVE OF ABSENCE**

By unanimous consent leave of absence was granted to:

Mr. BURNS of Hawaii (at the request of Mr. McCORMACK) for Wednesday, Thursday, and Friday, May 20, 21, and 22, on account of official business in Hawaii.

Mr. ROBERTS (at the request of Mr. ELLIOTT), on account of death in family.

**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. SCHWENDEL, for 30 minutes, today.  
Mr. FLOOD (at the request of Mr. KASTENMEIER), for 15 minutes, today.

Mr. PORTER (at the request of Mr. KASTENMEIER), for 30 minutes, on Thursday next.

Mr. PHILLEN, for 20 minutes, today.

**EXTENSION OF REMARKS**

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PELLY and to include extraneous matter.

Mr. FEIGHAN and to include extraneous matter.

Mr. SISK, his remarks in Committee of the Whole and to include a list organizations.

Mr. HOFFMAN of Michigan, his remarks today and to include a letter, a release, and a newspaper article.

At the request of Mr. MICHEL:

Mr. REECE of Tennessee and to include extraneous matter.

Mr. KNOX and to include extraneous matter.

Mr. KEARNS.

Mr. DINGELL and to include extraneous matter.

Mr. BECKER.

At the request of Mr. KASTENMEIER:

Mr. PORTER to include extraneous matter in his special order for today.

Mr. BOWLES and to include extraneous matter.

Mr. MULTER and to include extraneous matter.

Mr. DADDARIO and to include extraneous matter.

Mr. PORTER and to include extraneous matter.

Mr. DULSKI.

Mr. ANFUSO in two instances.

Mr. DENT in two instances.

Mr. STAGGERS and include extraneous matter.

**SENATE BILL REFERRED**

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 72. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes; to the Committee on Interior and Insular Affairs.

**ADJOURNMENT**

Mr. KASTENMEIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p.m.) the House adjourned until tomorrow, Thursday, May 22, 1959, 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:

1006. A letter from the Comptroller General of the United States, transmitting a report on examination of the procurement of spare parts from Boeing Airplane Co., Seattle, Wash., under Department of the Air Force contracts AF 33(600)-22119 and AF 33(600)-28223; to the Committee on Government Operations.

1007. A letter from the Board of Directors, Board for Fundamental Education, transmitting the audit and annual report of the Board for Fundamental Education for the year 1958, pursuant to Public Law 507, 83d Congress; to the Committee on the Judiciary.

1008. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 21, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes harbors study—interim report on Cleveland Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 152); to the Committee on Public Works and ordered to be printed with two illustrations.

1009. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 26, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes harbors study—interim report on Toledo Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 153); to the Committee on Public Works and ordered to be printed with one illustration.

1010. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 22, 1958, submitting a report, together with accompanying papers and an illustration, on Great Lakes harbors study—interim report on Marquette Harbor, Mich., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 154); and ordered to be printed with an illustration to the Committee on Public Works.

1011. A letter from the Comptroller General of the United States, transmitting a report on the review of selected phases of the low-rent housing operations of the Detroit Housing Commission, Detroit, Mich.; to the Committee on Banking and Currency.

1012. A letter from the Assistant Secretary of State, transmitting the texts of ILO Convention (No. 111) and ILO recommendation (No. 111) concerning discrimination in the field of employment and occupation, adopted by the International Labor Conference at its 42d session, at Geneva, June 25, 1958, pursuant to article 19 of the Constitution of the International Labor Organization (H. Doc. No. 155); to the Committee on Foreign Affairs and ordered to be printed.

#### 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. ASPINALL: Committee on Interior and Insular Affairs. H.R. 6596. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; with amendment (Rept. No. 370). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H.R. 7264. A bill to amend the Internal Revenue Code of 1954 to permit the withholding of income tax from salaries of certain farm foremen employed by State penal institutions; to the Committee on Ways and Means.

By Mr. KEARNS:

H.R. 7265. A bill to strengthen the protection provided to employees in the exercise of their rights of full freedom of association, self-organization, and designation of representatives for the purpose of dealing collectively, and to assure performance of existing obligations in the field of labor-management relations; to the Committee on Education and Labor.

By Mr. BURKE of Kentucky:

H.R. 7266. A bill to provide annuities payable from the civil service retirement and disability fund in additional cases for certain widows and widowers by reducing the required period of marriage from 5 years to 2 years; to the Committee on Post Office and Civil Service.

By Mr. BYRNE of Pennsylvania:

H.R. 7267. A bill to provide for the addition of certain property in Philadelphia, Pa., to Independence National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 7268. A bill to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service, and for other purposes; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 7269. A bill to provide for the reclassification of certain distribution clerks at airport mail facilities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HEMPHILL:

H.R. 7270. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers and crews, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H.R. 7271. A bill to amend the Civil Service Retirement Act to liberalize the standard for determining the earning capacity of disability annuitants and to permit the restoration of disability annuities in certain cases; to the Committee on Post Office and Civil Service.

By Mr. PELLY:

H.R. 7272. A bill to extend the provisions of the so-called Davis-Bacon Act to certain contracts to provide services; to the Committee on Education and Labor.

H.R. 7273. A bill to amend the Tariff Act of 1930 to provide for the free importation of barrelheads made of softwood; to the Committee on Ways and Means.

By Mr. PILLION:

H.R. 7274. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. RAY:

H.R. 7275. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. STRATTON:

H.R. 7276. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H.R. 7277. A bill to prevent discrimination in any public or semipublic place or by any public or semipublic transportation against members of the Armed Forces because of race, color, or creed; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 7278. A bill to amend the act of April 19, 1950 (64 Stat. 44, 25 U.S.C. 635, 636) to better promote the rehabilitation of the Navajo and Hopi Tribes of Indians; to the Committee on Interior and Insular Affairs.

H.R. 7279. A bill to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 7280. A bill to provide for the admission of certain minor aliens without regard to the exclusionary provisions of the Immigration and Nationality Act relating to certain mental and physical conditions; to the Committee on the Judiciary.

By Mr. BECKER:

H.R. 7281. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. BENTLEY:

H.R. 7282. A bill to provide for the establishment of a Commission on Metropolitan Problems; to the Committee on Government Operations.

By Mr. HOLLAND:

H.R. 7283. A bill to amend title II of the Social Security Act to increase benefits, to increase the earnings includible in computing benefits, to eliminate age requirements for spouse's benefits, to reduce retirement age (with full benefits for both men and women) to 60, to reduce the outside earnings permitted without deductions from benefits,

and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Alabama:

H.R. 7284. A bill to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams; to the Committee on Public Works.

By Mr. KOWALSKI:

H.R. 7285. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. ROGERS of Colorado:

H.R. 7286. A bill to provide for the free entry of a Siemens electron microscope for the use of the University of Colorado Medical Center, Denver, Colo.; to the Committee on Ways and Means.

By Mr. SMITH of Mississippi:

H.R. 7287. A bill to amend title 23 of the United States Code in order to increase the amount authorized for bridges over Federal dams; to the Committee on Public Works.

By Mr. BECKER:

H.R. 7288. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than \$1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mrs. GREEN of Oregon:

H.R. 7289. A bill to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to the Committee on Education and Labor.

By Mr. JOHNSON of Colorado:

H.R. 7290. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

By Mr. KASEM:

H.R. 7291. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to \$1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. PILLION:

H.R. 7292. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than \$1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

By Mr. RIEHLMAN:

H.R. 7293. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide for an apportionment of not less than \$1,400 million annually for the National System of Interstate and Defense Highways; to the Committee on Ways and Means.

H.R. 7294. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. WALLHAUSER:

H.R. 7295. A bill to extend coverage under the Federal old-age, survivors, and disability insurance system to self-employed physicians; to the Committee on Ways and Means.

By Mr. DENT:

H. Con. Res. 176. Concurrent resolution expressing the sense of Congress in regard to United Nations Charter revision; and for other purposes; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Res. 268. Resolution to amend the Rules of the House of Representatives; to the Committee on Rules.

By Mr. LANE:

H. Res. 269. Resolution in opposition to any visit to United States by Russian Premier Nikita Khrushchev; to the Committee on Foreign Affairs.

### MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to amend sections 501 through 504 of the 1958 Amendments to the Social Security Act (Public Law 85-840) to permit the Territory of Hawaii to again obtain the full benefits of the Social Security Act, which was referred to the Committee on Ways and Means.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREWSTER:

H.R. 7296. A bill for the relief of Arthur K. Jefferson; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 7297. A bill for the relief of Cecelia Drucker; to the Committee on the Judiciary.

By Mr. FULTON:

H.R. 7298. A bill for the relief of Montgomery Hyun (Man Kyu Hyun); to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H.R. 7299. A bill for the relief of Jacqueline Abitbol; to the Committee on the Judiciary.

By Mr. HOSMER:

H.R. 7300. A bill for the relief of Jose Lauchengco, Jr.; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 7301. A bill for the relief of Dr. Thomas Hwa Young Chun and Dr. Lucia Soondong Lee; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 7302. A bill for the relief of Ming Sang Quon (Quon Ming Sang); to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 7303. A bill for the relief of Compton Jones; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 7304. A bill for the relief of Antonio Joaquim da Silva Aresta; to the Committee on the Judiciary.

H.R. 7305. A bill for the relief of Teresina Ricca and Giuseppina Costanza Costantino; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 7306. A bill for the relief of Corradino Francesco Vilardi; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 7307. A bill for the relief of Ernest L. Potts, Mildred Potts, and Eileen Potts; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 7308. A bill to authorize the Secretary of the Interior to convey land to the Diocese of San Diego Education & Welfare Corp.; to the Committee on Interior and Insular Affairs.

By Mr. WAINWRIGHT:

H.R. 7309. A bill for the relief of Antonina Salvo; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 7310. A bill for the relief of Pedro Bigornia Bandayrel; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 7311. A bill for the relief of Wong Kam Yun; to the Committee on the Judiciary.

H.R. 7312. A bill for the relief of Dr. Ebrahim Mojdehi; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII,

192. Mr. WESTLAND presented a petition of the president and members of the Woman's Christian Temperance Union of Ferndale, Wash., petitioning consideration of their resolution with reference to voicing approval and disapproval of proposed legislation relating to alcoholic beverages, which was referred to the Committee on Interstate and Foreign Commerce.

## EXTENSIONS OF REMARKS

### Needed: An Investment Attitude

#### EXTENSION OF REMARKS

OF

### HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, May 20, 1959

Mr. MAGNUSON. Mr. President, we in the West know the true worth of the investment made to develop our natural resources, the return which this investment has brought, and the need for a continuation of this attitude and program now.

That is why the Senator from Missouri [Mr. SYMINGTON] struck such a responsive chord when he addressed the Jefferson-Jackson Day dinner in Tacoma, Wash., May 2, 1959.

So that my colleagues may know Senator SYMINGTON's appraisal of problems besetting us today, I ask unanimous consent to have his Tacoma address set forth in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR STUART SYMINGTON, DEMOCRAT OF MISSOURI, JEFFERSON-JACKSON DINNER, TACOMA, WASH., MAY 2, 1959

Thank you very much for asking me to be with you here in Tacoma.

It is a privilege to visit your busy and beautiful State, and to meet with so many people who have a hand in developing the rich resources of the Pacific Northwest.

Here in the State of Washington you not only have a rich store of wealth in your

mountains, fields, rivers and valleys, but are very fortunate in your geographical position.

The location of the Seattle-Tacoma area on the great circle route between two hemispheres makes it a great gateway for the jet age.

With the forward-looking leadership characteristic of this area, there is no limit to what can be achieved in this wonderful country.

By your choice of Governor and Senators, you have insured yourselves the kind of leadership we need, not only in Washington and the Northwest, but in all America.

I want to pay tribute to your outstanding Governor, Albert Rosellini.

In these days of tightened sources of State income it is not easy to build the kind of record Al Rosellini has made; and this is especially true when you inherit a deficit from the previous administration.

But your Governor has had the vision to write a progressive program, the good sense to face the financial realities, and the courage to put the State on a pay-as-you-go basis.

When the Governor of New York put over his tax program, the newspapers started running him for President. They should look as well to the State of Washington.

May I also pay tribute to your senior Senator, WARREN MAGNUSON. He is the able and experienced chairman of a great committee, and one of the most respected elder statesmen of the Senate.

All of us benefit from his experience, wisdom, and advice.

You always know where MAGGY stands. Invariably it is on the side of progress; i.e., the side of the people.

As for your junior Senator, "SCOOP" JACKSON, I don't have to tell you what I think about him.

SCOOP and I have long been partners in the effort to keep this country strong so it can remain free.

There is no more reliable friend and ally; and I predict that SCOOP will have a great future as a leader of America.

It is a long way from the State of Washington to the city of Washington. But I can report, as a somewhat prejudiced observer, that the Republican Party in the Nation's Capitol is just as bad off there as it is here.

Before the last election, an official at the White House wrote a book, "A Republican Looks at His Party."

Now he is writing a sequel, "A Republican Looks for His Party."

As they look at the calendar, the Republicans become more and more worried.

Next year, they see, is a presidential election year. If they are going to win again, they know they are going to have to pull a very large rabbit out of the hat.

Let me tell you a story I understand actually happened. As you know, the Republicans have now appointed a nationwide committee to try to formulate the true principles of their party.

This committee held a meeting recently; and one member, a sort of newcomer to Republican politics, said he thought what the party needed, more than anything else, was to stop acting like the party of privilege, and start representing the interests of all the people.

But older and more experienced Republican heads intervened.

One of them said in all seriousness, "You are wrong. We are the party of privilege. This has been our role throughout our history, and we should not change."

There is nothing like honest confession—and this confession of philosophy helps explain the Republican policies of today.

A party of privilege is bound to tradition. It looks backward.

It is opposed to growth and investment. It perpetuates waste.