United States, France, and Great Britain get out of Berlin by a set date or be driven out by Russian military force. President Eisenhower's first reaction was, we would stand fast on Berlin—the Russians have to take full responsibility for their actions on Berlin. In this he received complete support of Congress and the acclaim of the American people. It was then clear that our people had become sick and tired of being pushed around by the Russians and the time had come to take a stand.

Khrushchev recognized this and quickly claimed he had been misunderstood—that he wanted to negotiate on Berlin—that he was ready to meet with the Western leaders to negotiate. Here is where the Eisenhower administration weakened. The offer was made to the Russians that if Khrushchev would remove his deadline threat, we would be willing to negotiate. Now imagine this. We said we were willing to negotiate something on which no negotiation was legally possible because our legal right to be in Berlin was clearly established. By accepting Khrushchev's demand that we negotiate on our legal right to be in Berlin, we thereby admitted our right to be there was not clear; that it was something subject to negotiation. This, in my opinion, was a blunder; an admission of weakness. We let Khrushchev get off the hook after we called his bluff and he had backed down. It seems our leaders lack the political sense to know when we have won a victory and how to exploit such a victory.

It is now clear that Khrushchev used the Berlin crisis as a political blackjack to force the leaders of the West into a second summit conference. He must have needed this meeting very badly to take the risks he did on this crisis.

And now it is clear that Khrushchev so desperately needed a recognition by the free world of a status quo that he was prepared to take grave risks to win this goal.

Now let us look at the meaning of status quo—its significance to the Russians in their plot to conquer the world.

To the Russians status quo means that the United States recognizes the finality of the captivity of all the non-Russian nations within the empire. It gives a permanency to the Iron Curtain—at least a permanency so far as the emancipation of the captive nations is concerned. It does not mean, however, that the Russians would give up their ideas of extending their Iron Curtain to all the still free countries of the world. For the Russians it means the right to do as they please with the people held in bondage behind the Iron Curtain—to continue on with genocide and their other crimes against humanity, to ruthlessly crush all opposition, to kill off more millions of non-Russian people. It would give the Russians the right to be above the conscience of all humanity.

To the enslaved non-Russian nations it means the United States has deserted their cause—has turned its back upon their legitimate aspirations for liberty, freedom, and national independence. It is cold water thrown upon the torch of human freedom which they hold up in a sea of tyranny and despotism. It is a denial of the cause of those millions of martyrs of all faiths who gave their lives in the cause of justice and all humanity.

It is a temptation for those who may grow weary of the struggle for freedom to take the easy way out—to compromise their conscience and their moral convictions—to be opportunists—to make their peace with the tyrant, it is in fact an invitation to accept communism as the wave of the future—and this is the key to war—a war in which the United States would be deprived of its proven allies behind the Iron Curtain—the non-Russian people of the empire.

For the United States recognition of a status quo would mean that we have surrendered our heritage as the citadel of human freedom—that we fear the power of our political ideals—that we consider our political ideals as theories reserved for after dinner talks and fillers for history books. Worse still, that the United States had lost its faith in the power of the common man and his aspirations for peace with justice. It would signal the beginning of a new era in power politics, an era in which the United States would turn back to the 9th century, to indulge in the immoral peace of empires. And finally, it would deprive the United States of its most potent weapon for peace-moral leadership in a world which is crying out for a return to fundamental morality in the affairs of nations and peoples.

With this background we can see the hidden importance of the conference which will open in Paris on May 16. The great challenge to American leadership in Paris next month is whether we will take advantage of a golden opportunity to strike a blow for peace—that is—a just and lasting peace. We will fail in this opportunity if our leaders sit back and wait for the Russians to take the initiative. We must seize the initiative and state our case for all the world to hear it—and to understand beyond any doubt that we reject any and all proposals which could lead to recognition of a political status quo with the Russian slave empire.

On March 21, 1960, I introduced a resolution in Congress—calling upon the President to do just this. It is House Concurrent Resolution 636—copies of which some of you have had an opportunity to study. In my judgment, the terms of this resolution state our case for the Paris summit conference.

I call to your attention the fact that my resolution includes all the nations occupied by the Russian Communists—not just a few—but all of them. It is my judgment that none will be free until all are free. That is the nature of the struggle for the world.

* * * * *

It is my fervent hope that the "spirit of the Paris conference" will be based upon these foundations of international justice.

The "spirit of Camp David" needs an airing, it needs the clean airing of just what did take place between President Eisenhower and Khrushchev. Only the Russian version has been made public. The American version has been withheld from everyone—particularly the American people. We shall judge the meaning of this strange silence by the results obtained at the second summit conference—not in terms of platitudes and slogans, but, specifically, in terms of what the American delegation did on the question of status quo and the future emancipation of all the captive nations.

SENATE

MONDAY, JUNE 27, 1960

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, high above all, yet in all: As we lift our hearts to Thee, we ask that Thou wilt raise us above the marshland of our fears to the heights in a clearer moral air. On the highlands of the spirit, give us faith and courage which will surmount our cowardice and timidity, for Thou hast set us in a world where cowards cannot win and where only brave souls can triumph. May our individual stamina strengthen the Nation as she girds herself for the fearful tests of this fateful decade in world history. Elevate her, we pray, above all cheapness and vulgarity, above looseness and licentiousness, above the selfish greed of those who feed upon her and do not sustain her noblest life. In this supreme crisis, lift our America to an altitude worthy of the lofty ideals that were hers in the beginning and the selfless service which has been built into her soul.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 24, 1960, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LIMITATION OF DEBATE DURING THE MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, later today I shall place in the RECORD a list of all the measures on the calendar which have been cleared by the policy committee for consideration.

I should now like to call the attention of the membership to the calendar, and say to Senators that any bills which have been reported by the committees are subject to being taken up by motion in the Senate; and during the last few days of the session we should anticipate that they may be.

I shall attempt in each instance to call attention to these measures which are on the calendar; but each Member may do that if he will look at it, and prepare himself by voicing objections or notifying the minority leader or the majority leader of his desires with respect to any proposed legislation, so we may consider them.

I would hope that it might be possible to remain in session late in the evenings from now until the end of the session. I would hope that it would be possible for us to conclude our business and adjourn sine die prior to the conventions. That hope is based on a review of the pending legislation and my own prefer-

ence and understanding of the desires of the Members in the matter.

The course will be controlled by the majority; and whatever the majority of the two bodies desire to do about the conclusion of the session can be determined by majority vote.

I had anticipated that we would sit late on Friday and on Saturday, and I hoped we could bring up by motion bills which need to be discussed and explained, but not necessarily controversial bills which would require yea-and-nay votes.

I was informed late on Friday that if I sought to do that, requests would be made for live quorums. Being unable to produce a live quorum Friday night, and not wanting to inconvenience Senators on Saturday, I had little choice except to ask the Senate to go over until Monday.

Mr. President, if we need to come back here after both of the conventions, to complete our work, I am prepared to do so, and am eager, anxious, and willing to do so, if that is necessary. We can only determine whether it is necessary by ascertaining the wishes of the majority of the Senators. If we are to have live quorums on noncontroversial measures and if we are to be told that we cannot have Saturday sessions without having a majority of the Senate here, then I anticipate that we shall not have too lengthy sessions in the evenings or on Saturday, because I find myself unable to prevail upon a majority of the Senators to remain here at such times.

I realize that all of us have worked long and hard, and that we are tired, and that our judgment is not always best when we are tired; and I like to provide adequate time for relaxation and rest, so we can approach legislative matters in the judicious and patriotic spirit in which all of us wish to approach them. So far as I am concerned, I will adjust myself to the wishes of the majority.

If the majority desire to have the daily sessions end at 6 or 7 p.m., and if a sufficient number indicate that they prefer to return after the conventions, I shall submit to their wishes. I had felt that they wanted to end the session before the conventions began.

But it must be remembered that we do not receive the appropriation bills until late in the session; and we have a number of most important ones which will require extended debate—such as the Department of Defense appropriation bill conference report, the mutual aid appropriation bill, social security bill, the tax bill conference report, the medical plan for the aged, the minimum wage bill, the coal research bill, and, I would say, perhaps 100 others which are important. If we are not to be able to discuss them late Friday and on Saturday without having a majority of the Members present at all times—and it is rarely that I have seen a majority present for general debate in the Senate—then we shall have to make our plans accordingly, and Senators should be on notice that if we are unable to conclude our schedule soon, we shall have to finish it at a later date.

Mr. BUSH. Mr. President, will the Senator from Texas yield?

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Connecticut?

Mr. JOHNSON of Texas. I yield.

Mr. BUSH. Does the Senator from Texas care to give us any assurance in regard to whether a session is likely to be held on next Monday, July 4, or whether the Senate will be in recess on that day?

Mr. JOHNSON of Texas. I would be guided by the desires of the membership as to that. I would be prepared to work on that day. I will talk to the minority leader about that—I have not talked to him about it yet—and will canvass the membership.

Here is my position in the matter: I feel that most of the Members want to end the session before the conventions. But it may be that I have mistaken their judgment. I rather think I have, judging from the way they have been asking for live quorums and not wanting to work on Saturday, and things like that, because it is obvious that we cannot conclude promptly if we accede to such requests.

On the other hand, I do not want to be charged with rushing legislation through without a majority of the Members on the floor, for we have Members who will point out that we do not have 99 Senators present, but, instead, have only a few; and it is true that often less than a majority of Senators are present during general debate. For instance, all day Friday, during the Senate session, the Appropriations Committee was at work, and had 23 members present in the committee; and they will be there, at work, regardless of whether the Senate is in session on Saturday, because they are working on the conference report on the $40 billion Department of Defense appropriation bill. All of us know that it is rare that we have a majority of the Senate on the floor during the consideration of noncontroversial measures. In fact, we have to have quorum calls, in order to get a majority present, just prior to the taking of yea-and-nay votes. Most Senators follow the debate in committee and on the floor, and make up their minds; but they do not necessarily sit here and listen to speeches they do not care to hear; and I cannot make them do so.

Mr. BUSH. I was not suggesting that we should have a holiday on the Fourth of July.

Mr. JOHNSON of Texas. I understand.

Mr. BUSH. But I was attempting to ascertain the schedule, for the convenience of Senators, and also for the convenience of others, who may be counting on Senators' appearances to make Independence Day speeches, and so forth. Of course, it would be helpful to know.

Mr. JOHNSON of Texas. I understand; and the Senator from Connecticut is one of the most cooperative Members of the Senate, as are all of his colleagues. I am not complaining about anyone. I am merely serving notice, so that those who read the RECORD will understand that we face a choice of either leaving a good many measures until after the conventions have been held, and then returning and picking up the work, or else working late in the evenings and on Saturday for the remaining few days.

If Senators will examine the list of bills, they will find we still have to consider the State, Justice, and Judiciary appropriation bill; the conference report on the legislative appropriation bill; the conference report on the tax bill, which I understand is controversial; the mutual aid appropriation bill, which I understand is controversial; the conference report on the Department of Defense appropriation bill, which is controversial; the coal research bill; the bill covering a medical plan for the aged, which we received only a few hours ago from the House, and it is being considered in committee, and we would like to pass it and have it enacted at this session. We still have to consider the minimum wage bill, which is not yet on the calendar, but we have been considering it since February; and the minimum wage bill will require considerable debate.

Mr. BUSH. Certainly.

Mr. JOHNSON of Texas. If we are to adjourn by next Friday, as some had anticipated, or even by the following Friday, that is going to mean 14- or 16-hour sessions, and it will mean working on Saturday. We can no longer indulge the luxury of one Senator coming up and saying, "I have a speaking engagement. I would like you not to have a rollcall after Thursday or before Tuesday. I will not be back until then." Such requests have been made in the past several months. If we are to complete our schedule, we will have to have evening sessions. I want Members to know that. I shall try to ascertain the desires of the majority and conduct myself accordingly.

Mr. DIRKSEN. Mr. President——

Mr. JOHNSON of Texas. I yield to the distinguished minority leader.

Mr. DIRKSEN. I wish to say, in all fairness to the majority leader, in complete candor, that if anybody is to assume responsibility for no Saturday session, I think it ought to be the minority leader. I have entreated him, I have sought to persuade him as vigorously as I know how, not to have a Saturday session.

Mr. JOHNSON of Texas. If the Senator will yield, I think the Senator is taking onto himself blame that he is not justified in assuming, and if he did entreat me not to have a Saturday session, he was not successful, because I had planned one. The thing that was successful with me in the decision not to have one was that Senators told me we would have to have live quorums. We had planned to take up a number of bills I had hoped were not controversial. The decision was not due to the Senator's pleading. I had not anticipated rollcalls Saturday. It may be that in a good many evenings we will not have rollcalls, but we need to consider treaties, confirmations of nominations, conference reports, and the like. We shall have to consider the tax bill conference report, the Defense Department conference report, the mutual aid conference report. We will have rollcalls, but I

think, if Senators will review the list, they will see there are a number of bills, a hundred or more, in which Members are vitally interested. There is Calendar No. 1555, H.R. 3375, the coal research bill, going through Calendar No. 1654, Senate bill 2917, establishing a price support level for milk and butterfat, in which the Senator from Wisconsin [Mr. PROXMIRE] is vitally interested. These bills may not require a lot of controversy or a lot of debate, but they ought to be called up by motion, and I will agree to do it if Senators will agree to meet evenings and come in on Saturdays.

Mr. DIRKSEN. If the majority leader will yield, I must confess my disconcert that offering my entreaty proved so feeble so far as taking blame for not having a Saturday session is concerned; but I believe better work is done when such sessions are not held. I went through three briefcases chock full of things over the weekend. One has to make preparation on matters coming up. There is reference material to be examined, and I do not know when we can examine it in the course of a working day, because there is constant work to be done and mail to be taken care of. I try taking care of my mail in the car going back and forth. There is never a minute to spare. So I believe these weekends are good for the Members of the Senate and in the interest of the country.

Since Independence Day has been mentioned, I can only publicly express the hope, for whatever it is worth, that we may have a holiday on the Fourth of July. That is the greatest day on the American calendar. It is the anniversary of the birth of this Republic, and along with all the other millions of people I think we ought to suitably observe it. I can think of no better way to observe it than to draw off from work and, for a few moments at least, let our great spirit and great feeling of pride somehow enshrine itself in the greatest of all shrines, in the hearts of the American citizens. I should like to join in it. I advance that individual viewpoint for whatever it may be worth.

Mr. JOHNSON of Texas. The Senator's individual viewpoint always carries great weight with me. I appreciate hearing what he has to say. I think there is always considerable merit in what he says.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, and take up nominations on the Executive Calendar beginning with the National Science Board.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Executive F, 86th Congress, 2d session. A treaty of friendship and commerce between the United States of America and Pakistan, signed at Washington, November 12, 1959 (Exec. Rept. No. 12); and

Executive G, 86th Congress, 2d session. The Convention of Establishment Between the United States of America and France, signed at Paris, November 25, 1959 (Exec. Rept. No. 12).

NATIONAL SCIENCE BOARD

The Chief Clerk proceeded to read sundry nominations to the National Science Board.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the nominations today confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask unanimous consent that the Business and Commerce Subcommittee of the Committee on the District of Columbia be permitted to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Is there objection?

Mr. LONG of Louisiana. Mr. President, reserving the right to object, if there are to be bills from the Finance Committee taken up on the floor today, I shall have to object to that committee sitting during the time those bills are under consideration. We are under notice that H.R. 10 may be called up for consideration. I would not want to be sitting in the Finance Committee if H.R. 10 is going to be considered on the floor. I for one could not sit with the committee if that were done, and I would have to object to the committee meeting unless we could have an understanding that no tax bills will be called up for consideration while the committee is sitting.

Mr. JOHNSON of Texas. I give the Senator from Louisiana that assurance.

The PRESIDENT pro tempore. Is there objection to the request? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on the Judiciary be permitted to meet during the session of the Senate today.

Mr. DIRKSEN. Mr. President, I was requested to object.

The PRESIDENT pro tempore. Objection is heard.

Mr. JOHNSON of Texas. I ask unanimous consent that the Committee on Labor and Public Welfare be authorized to meet during the session of the Senate today.

Mr. DIRKSEN. I was requested to object.

The PRESIDENT pro tempore. Objection is heard.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGRICULTURAL AGREEMENTS WITH INDIA, FINLAND, AND PAKISTAN

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, reporting, pursuant to law, on agricultural agreements concluded with the Governments of India, Finland, and Pakistan, during the month of May 1960 (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Acting Secretary of Labor, reporting, pursuant to law, on the overobligation of an appropriation in that Department; to the Committee on Appropriations.

REPORT PRIOR TO RESTORATION OF BALANCES, U.S. SECRET SERVICE

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report of the U.S. Secret Service, covering restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF SUBCONTRACTS NEGOTIATED BY NORTH AMERICAN AVIATION, INC., LOS ANGELES, CALIF.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of P–2 aircraft cameras under Department of the Air Force subcontracts negotiated by North American Aviation, Inc., Los Angeles, Calif., with J. A. Maurer, Inc., Long Island City, N.Y., dated June 1960

(with an accompanying report); to the Committee on Government Operations.

REPORT RELATING TO SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

A letter from the Acting Attorney General, transmitting, pursuant to law, a report relating to the Subversive Activities Control Act of 1950, for the year ended May 31, 1960 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION 22

"Resolved by the House of Representatives of the State of Louisiana (the Senate concurring), That we respectfully request the Congress of the United States to propose to the people an amendment to the Constitution of the United States, or to call a convention for such purpose as provided by article V of the Constitution, an article providing as follows:

" 'ARTICLE ——

" 'SECTION 1. The Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.

" 'SEC. 2. The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

" 'SEC. 3. The activities of the U.S. Government which violate the intent and purposes of this amendment shall, within a period of 3 years from the date of ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

" 'SEC. 4. Three years after the ratification of this amendment, the 16th article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts'; and be it further

"Resolved, That a certified copy of this resolution be forwarded by the Secretary of State to the President of the U.S. Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Louisiana.

"——— ———,

"Speaker of the House of Representatives.

"——— ———,

"Lieutenant Governor and President of the Senate."

A paper in the nature of a petition signed by Lawrence W. Anderson, of Capistrano Beach, Calif., relating to the rights of the people; to the Committee on the Judiciary.

RESOLUTIONS OF THE NEW HAMPSHIRE CONGREGATIONAL-CHRISTIAN CONFERENCE

Mr. COTTON. Mr. President, I present, for appropriate reference, two resolutions adopted by the recent 159th annual meeting of the New Hampshire Congregational-Christian Conference, relating to the cessation of atom bomb testing, and program for peace. I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE CONGREGATIONAL CHRISTIAN CONFERENCE,
Concord, N.H., June 24, 1960.

Hon. NORRIS COTTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR COTTON: Believing that you will be interested in two of the resolutions passed at the recent 159th annual meeting of the New Hampshire Congregational-Christian Conference, I am copying below from the scribe's minutes:

"CESSATION OF ATOM BOMB TESTING

"Whereas it is generally agreed that the testing of atom bombs and similar devices is producing contamination of the atmosphere which can be seriously harmful to present and future members of the human race; and

"Whereas the testing of such devices is a threat to world peace and provides other nations with convincing propaganda to the effect that we are not a peace loving nation: Therefore be it

"Resolved, That we call upon our Government in Washington to work untiringly to bring about a final cessation of such testing and for disarmament by all nations, with a satisfactory system of inspection and control; and be it further

"Resolved, That we call upon our leaders as Christians, to redouble their efforts to promote understanding between peoples and to lessen the tensions between governments."

"PROGRAM FOR PEACE

"Whereas we uphold and support our Nation, the United Nations or any other nation in those of their separate or cooperative efforts which seek to establish world peace; and

"Whereas we feel strongly that all acts of violent aggression against other nations and all suppression of free peoples are wrong in the sight of God and civilized man: Therefore be it

"Resolved, That we commend the policy of bringing before the United Nations those governments which use threats and violence against peaceful nations and which refuse to respect fundamental human rights and their international obligations; and be it further

"Resolved, That we encourage all nations and all people in their efforts for peaceful self-government and national integrity."

Very truly yours,

FREDERIC W. ALDEN,
Conference Minister.

RESOLUTION OF BOARD OF SUPERVISORS, WOOD COUNTY, WIS.

Mr. WILEY. Mr. President, on May 12, 1960, the Senate—and wisely, I believe—passed a bill, S. 910, to provide payments to local communities in lieu of taxes that would normally be received from federally occupied property.

Across the Nation, cities and small communities are having a difficult time—as is Uncle Sam—to find adequate sources of revenue. The existence of Federal properties within an area—often on prime locations—results in further depletion of tax sources.

The proposal to provide some remuneration to the communities through payment in lieu of taxes, I believe, is well justified, as this can be done according to equitable formula.

I would sincerely hope that the Interior and Insular Affairs Committee of the House of Representatives before which this is pending would give early and favorable consideration to this legislation.

Recently, I have received an additional endorsement of the bill from Rosemary Volkenant, deputy county clerk of the Wood County Board of Supervisors, favoring the enactment of this bill. I request unanimous consent to have this resolution printed at this point in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

LEGISLATIVE COMMITTEE'S REPORT ON THE COMMUNICATION FROM THE NATIONAL ASSOCIATION OF COUNTY OFFICIALS RELATING TO BILL NO. S. 910

We, the undersigned legislative committee, hereby recommend that the Wood County Board of Supervisors go on record as favoring the enactment of bill No. S. 910, and that the county clerk send copies of this report to Hon. ALEXANDER WILEY and WILLIAM PROXMIRE, Senators, and Hon. MELVIN R. LAIRD, Representative in Congress.

J. A. SCHINDLER.
J. L. SWINGHAMER.
MARTIN HOENEVELD.
HANS M. VOLLERT.

RECOMMENDATIONS ON IMMIGRATION

Mr. CARLSON. Mr. President, this is World Refugee Year and there are several bills pending in Congress affecting our immigration laws and refugee programs.

President Eisenhower has proposed several changes in existing law, and I am hopeful that we shall have an opportunity to vote on the proposals before this session of Congress ends.

The national origins quota system is inaccurate, discriminatory, and unfair and based on past history, should be changed.

The Council of Churches of Greater Kansas City covers the States of both Kansas and Missouri and at a recent meeting made several recommendations on immigration.

I ask unanimous consent that their views be printed in the RECORD, and referred to the appropriate committee.

There being no objection, the recommendations were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS ON IMMIGRATION

We recommend the fullest active support for the passage of an immigration and citizenship law which would rectify the inequities and injustices in our present Immigration and Nationality Act. As a nonpartisan group, we recognize that bills have been introduced by members of both political parties for this purpose. We request that our congressional delegation exercise its judgment in respect to these bills with the following principles in mind:

1. That the national origins quota system which implies the superiority of one place of origin or group to others, is inaccurate, discriminatory, and unfair. The value of the individual and his capacity to contribute to our country is a more valid approach.

2. Bills introduced by both parties accept as an expert conclusion that an annual inflow amounting to one-sixth of 1 percent of our population is a volume which does not challenge this country's absorptive capacity

or place a burden on its population. Rather, it is a stimulant to our continued growth.

3. Passage by the U.S. Senate of House Joint Resolution 397:

a. With amendments suggested by the U.S. Committee for Refugees, urging the President, the Secretary of State, and the Director of the Budget to allocate an additional $5 million to overseas refugee programs; thus utilizing the full $10 million authorized by Congress.

b. With amendments consistent with the past immigration legislations by making provision for the inclusion of Chinese refugee-escapees in the Hong Kong-Macau area and elsewhere who are also victims of Communist despotism.

5. Passage of H.R. 10419, extending the act providing for the admission of foreign orphan-refugees, preferably with amendment for extension without regard to dateline or numbers.

COMMITTEE ON REFUGEES OF GREATER KANSAS CITY.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 6108. An act to provide for the establishment of the Arkansas Post National Memorial, in the State of Arkansas (Rept. No. 1743).

By Mr. PROXMIRE, from the Committee on Banking and Currency, with amendments:

H.R. 11207. An act to amend the Small Business Act, so as to authorize an additional $150 million for loans to small businesses, and for other purposes (Rept. No. 1748).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 7211. An act to provide additional disability compensation for certain seriously disabled veterans (Rept. No. 1745); and

H.R. 9786. An act to amend sections 511 and 512 of title 38, United States Code, to permit Indian war and Spanish-American War veterans to elect to receive pension at the rates applicable to veterans of World War I (Rept. No. 1746).

By Mr. BYRD of Virginia, from the Committee on Finance, with an amendment:

H.R. 5054. An act to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers (Rept. No. 1747).

By Mr. MUNDT, from the Committee on Government Operations, without amendment:

S. 3736. A bill creating a commission to be known as the Commission on Noxious and Obscene Matters and Materials (Rept. No. 1749).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment.

H.R. 10793. An act for the relief of Ray C. Thompson (Rept. No. 1751).

FAIR LABOR STANDARDS AMENDMENTS OF 1960—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 1744)

Mr. MORSE. Mr. President, I have the pleasure of submitting, on behalf of the Committee on Labor and Public Welfare, and particularly on behalf of the Senator from Massachusetts [Mr. KENNEDY], the committee report on the minimum wage bill, an original bill. I am pleased to submit the report, Mr. President, because the Senator from Massachusetts and I share authorship of the original bill. I do not mean to imply that the report is with reference to the original bill, but one can recognize some connection between the original bill and the final bill.

I wish to say on the floor of the Senate what I said to the committee, as the present Presiding Officer of the Senate, the Senator from West Virginia [Mr. RANDOLPH] knows, when we completed the writeup of the bill. I think the Senator from Massachusetts is deserving of a great deal of credit for his persistence in sticking with this job until we finally brought from the committee a bill, which we report today to the Senate, with both a majority report and minority views.

I ask unanimous consent that the committee report, with minority views, be received and printed.

The PRESIDING OFFICER (Mr. HRUSKA in the chair). The report will be received and printed, as requested by the Senator from Oregon, and the bill will be placed on the calendar.

The bill (S. 3758) 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, reported by Mr. MORSE, on behalf of Mr. KENNEDY, from the Committee on Labor and Public Welfare, was read twice by its title, and placed on the calendar.

REPORT ENTITLED "INTELLIGENCE AND NATIONAL SECURITY" (S. REPT. NO. 1750)

Mr. JACKSON, from the Committee on Government Operations, pursuant to Senate Resolution 248, 86th Congress, submitted a report entitled "Intelligence and National Security," which was ordered to be printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN:

S. 3748. A bill for the relief of James Delbert Hodges; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

S. 3749. A bill for the relief of Herbert Kaempf; to the Committee on the Judiciary.

(See the remarks of Mr. LONG of Louisiana when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 3750. A bill for the relief of Aharan Rotholz and Dan Rotholz;

S. 3751. A bill for the relief of Wen Nong Wong; and

S. 3752. A bill for the relief of Doctor Ya-Pin Lee; to the Committee on the Judiciary.

S. 3753. A bill for the relief of Erwin P. Milspaugh; to the Committee on Post Office and Civil Service.

By Mr. CARLSON:

S. 3754. A bill to provide for the issuance of a special postage stamp in commemoration of 300 years of operation of hotels in America, and the 50th anniversary of the American Hotel Association; to the Committee on Post Office and Civil Service.

By Mr. McCARTHY (for himself, Mr. McNAMARA, Mr. CLARK, Mr. RANDOLPH, Mr. HARTKE, Mr. McGEE, and Mr. BYRD of West Virginia):

S. 3755. A bill to amend the public assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. McCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR:

S. 3756. A bill to amend the Internal Revenue Code of 1954 to permit a deduction by life insurance companies in determining gain or loss from operations of an amount equal to 2 percent of the premiums from individual accident and health insurance contracts; to the Committee on Finance.

By Mr. SMATHERS:

S. 3757. A bill for the relief of Stanley Bulski (Zdzislaw Rekosz); to the Committee on the Judiciary.

By Mr. MORSE (for Mr. KENNEDY):

S. 3758. 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; placed on the calendar.

(See the remarks of Mr. MORSE when he reported the above bill from the Committee on Labor and Public Welfare, which appear under the heading "Reports of Committees.")

By Mr. HILL:

S. 3759. A bill authorizing the Secretary of Agriculture to convey certain lands to Auburn University, Auburn, Ala., to the Committee on Agriculture and Forestry.

By Mr. RANDOLPH:

S. 3760. A bill to amend the Vocational Education Act of 1946 in order to assist the States in providing training and retraining for the unemployed and underemployed; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. RANDOLPH when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART (for himself and Mr. ROBERTSON):

S. 3761. A bill for the relief of Irene Theresia Rothlin; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 3762. A bill to provide for the withdrawal of certain public lands 40 miles east of Fairbanks, Alaska, for use by the Department of the Army as a Nike range; to the Committee on Interior and Insular Affairs.

By Mr. GORE (for himself and Mr. YARBOROUGH):

S. 3763. A bill to provide for the payment of hospital and other health services furnished to aged retired individuals, and to provide for a continuing study of the health needs of such individuals; to the Committee on Finance.

(See the remarks of Mr. GORE when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S.J. Res. 211. Joint resolution to establish a commission to study and report on the organization of the Federal Communications Commission and the manner in which the electromagnetic spectrum is allocated in the agencies and instrumentalities of the Federal Government; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HARTKE when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTIONS

DEVELOPMENT OF INTERNATIONAL EDUCATIONAL PROGRAMS THROUGH UNITED NATIONS

Mr. McGEE submitted the following concurrent resolution (S. Con. Res. 111), which was referred to the Committee on Foreign Relations:

Whereas the United States has benefited greatly from the exchange of students between our own country and other countries through the Fulbright Acts and Smith-Mundt Acts; and

Whereas the other nations of the world have in recent years experienced remarkable growth in the number of persons trained through the operations of these and similar programs; and

Whereas increasing the level of education of the peoples of the world is the most productive investment that the nations of the world can make for the well-being of all mankind; and

Whereas programs of international cooperation in education enhance international understanding and thereby promote the cause of peace; and

Whereas many nations or regions of the world not now possessing sufficient educational facilities, such as necessary schools, universities, colleges, and technical institutes are ready to establish, expand and improve such facilities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States hereby expresses its interest in encouraging the development of international programs for the expansion and improvement of education at all levels, including provisions for teachers colleges, technical institutes, as well as other necessary schools, colleges, and universities, national or regional in scope; and be it further

Resolved, That the Congress hereby recommends that the United States Government encourage the organizations of the United Nations system to develop programs for increased international cooperation in the field of education that would best serve the needs of the several member countries, as well as the cause of world peace and international economic and social development; and be it further

Resolved, That the Congress hereby expresses its willingness to accept a reasonable share of the cost of bringing into operation certain aspects of such programs through the use of foreign currencies available for these uses.

HERBERT KAEMPF

Mr. LONG of Louisiana. Mr. President, I introduce, for appropriate reference, a bill for the relief of Herbert Kaempf. I ask unanimous consent that an explanatory statement of the bill, prepared by me, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3749) for the relief of Herbert Kaempf, introduced by Mr. LONG of Louisiana, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. LONG is as follows:

STATEMENT ACCOMPANYING BILL FOR RELIEF OF HERBERT KAEMPF

The bill for the relief of Herbert Kaempf would allow him to be considered as having resided in and as having been physically present in the United States for a 10-year period immediately prior to 1959. The purpose of this bill is to satisfy an Immigration and Nationality Act requirement that in the event that a child is born abroad to parents, one of whom is an alien and the other a citizen of the United States, for the child to become a citizen of the United States at birth, the citizen parent must physically have been present in the United States or its outlying possessions for a period or periods totaling 10 years, at least 5 of which were after attaining 14 years of age.

Herbert Kaempf was born in 1930 in Czechoslovakia of German parents. He immigrated to the United States in 1952; and be enlisted in the U.S. Air Force later that year. On October 23, 1953, Kaempf was naturalized. In 1957, Kaempf married a German girl and they resided in England, where he was stationed. In May 1959, a son was born to the Kaempfs in an American hospital in England.

Not until Sergeant Kaempf was preparing to return to the United States later that year, having been transferred, and was seeking an American passport for his infant son, did he discover that his son was not a citizen of the United States because of the regulation of the Immigration and Nationality Act cited above.

The only reason why the son of Sergeant Kaempf is not considered native born is because he was born outside the United States to parents, one of whom is not a U.S. citizen. Nevertheless, the reason he was born outside the United States is because his father, Sergeant Kaempf, was stationed there with the U.S. Air Force. If by mere chance, Sergeant Kaempf had been assigned to a location within the United States by the Air Force, his son would have been born in the United States and thus have become a U.S. citizen at birth, without question.

The Kaempfs are presently living in Biloxi, Miss., where Sergeant Kaempf is assigned to Keesler Air Force Base. They have set up permanent residence in Lake Charles, Calcasieu Parish, La., where the sergeant is a registered and participating voter. There is no question that the Kaempfs are intending to remain in the United States, and that the son will be brought up as an American. The only question is whether the son will have to become a citizen through naturalization or whether he may be granted citizenship as a birthright.

Because of the unusualness of the situation which finds a boy, for all intents and purposes an American citizen by birth, denied such birthright due to a curious combination of happenstance and restrictive law, petition is made for relief which will ultimately allow the boy to gain this birthright.

TRAINING FOR THE UNEMPLOYED

Mr. RANDOLPH. Mr. President, I introduce, for appropriate reference, a bill to amend the Vocational Education Act of 1946, to assist the States in providing training for the unemployed and underemployed.

It is hoped that other Senators will join in sponsoring the bill; therefore, I ask unanimous consent that the bill lie on the desk until Thursday, for that purpose.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred; and, without objection, the bill will be held at the desk as requested.

The bill (S. 3760) to amend the Vocational Education Act of 1946 in order to assist the States in providing training and retraining for the unemployed and underemployed, introduced by Mr. RANDOLPH, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. RANDOLPH. Mr. President, in introducing the bill, I wish to state that by this means we can well lay the groundwork for intelligent action in this vital field when the 87th Congress convenes in January 1961.

I had hoped the area redevelopment bill would have provided us with some pilot studies in regard to how best to train the unemployed who are living in the surplus labor areas of the country, where there are pernicious pockets of unemployment. But the President's veto of that desperately needed and very worthwhile measure has denied us this opportunity.

The Special Committee on Unemployment Problems, on which I had the responsibility of serving, called for expansion of the Nation's vocational education after Congress had obtained a consensus in regard to what types of programs will best serve our manpower needs. As chairman of the new Subcommittee on Employment and Manpower, it is my desire—and I am certain it will be accomplished—to hold hearings this summer on the feasibility of such an approach to unemployment, through vocational education, in an effort to help us reach a helpful consensus.

Mr. President, one dimension of our manpower problems is the serious unemployment threatened by automation, which already has hit the coal-mining areas of West Virginia and of many other States. The tragic problem in the years ahead will be felt with very tremendous impact as accelerated mechanization spreads to other industries. So Congress should now begin to consider appropriate programs for an all-out frontal attack on the basic causes of technological employment.

Of course, we need to encourage higher productivity; but we also have the duty of aiding those whose skills have become obsolete, so they can benefit from increased efficiency.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the bill and a press announcement.

There being no objection, the bill (S. 3760) and the release were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Vocational Education Act of 1946 (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, 15aaa–15ggg) is amended by adding after title III the following new title:

"TITLE IV—VOCATIONAL EDUCATION PROGRAMS FOR THE TRAINING AND RETRAINING OF THE UNEMPLOYED AND UNDEREMPLOYED

"Authorization of appropriations

"SEC. 401. There is authorized to be appropriated for the fiscal year ending June 30, 1961, and for each of the four succeeding fiscal years the sum of $12,000,000 for training and retraining of the unemployed and underemployed in vocational education programs, to be apportioned for expenditure in the States as provided in section 402.

"Allotments to States

"SEC. 402. (a) From the sums appropriated for any fiscal year pursuant to section 401,

each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the total of the amounts apportioned under title I of this Act, the Act of March 18, 1950 (20 U.S.C. 31–33), and section 9 of the Act of August 1, 1956 (20 U.S.C. 34), to such State for such year bears to the total of the amounts so apportioned to all the States for such year, except that the allotment to any State under this section shall not be less than $20,000 in any fiscal year.

"(b) The amount of any allotment to a State under subsection (a) for any fiscal year which the State certifies to the Commissioner will not be required for carrying out vocational education programs (under the part of the State plan meeting the requirements of section 405) shall be available for reallotment from time to time, on such dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year. Any amount so reallotted to a State shall be deemed part of its allotment under subsection (a).

"Payments to States

"SEC. 403. (a) Any amount paid to a State from its allotment under section 402 for any fiscal year shall be paid on condition:

"(1) That such State pay 25 per centum of the cost of carrying out the State plan under section 402 in the case of each of the fiscal years ending June 30, 1961, and 50 per centum of such costs in the case of the next three fiscal years.

"(2) that funds appropriated under this title will not be used to reduce the amount of State or local funds, or both, being spent for vocational education programs operated under provisions of the Smith-Hughes Vocational Education Act and titles I and II of this Act and reported to the Commissioner, but such State or local funds, or both, in excess of the amount necessary for dollar for dollar matching of funds allotted to a State under provisions of the Smith-Hughes Vocational Education Act and titles I and II of this Act may be used to match funds appropriated under this title:

"(3) that funds appropriated under section 401 of this title shall be used for the training of individuals over 18 years of age who can reasonably be expected to secure gainful employment after such training has been completed.

"(b) The commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State for area vocational education programs under this title for such period; and shall pay to the State, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this subsection), by which he finds that his estimate of the amount to be paid to the State for any prior period for such purpose under this title was greater or less than the amount which should have been paid to the State for such prior period under this title for such purpose. Such payments shall be made in such installments as the Commissioner may determine.

"Use of funds

"SEC. 404. (a) Funds paid to a State under this title for vocational education programs may be used, in carrying out such programs (under the part of the State plan meeting the requirements of section 405), for—

"(1) maintenance of adequate programs of administration, supervision, and teacher-training;

"(2) salaries and necessary travel expenses of State or local school personnel, including teachers, coordinators, supervisors, vocational guidance counselors, teacher-trainers, directors, administrators, and others;

"(3) travel expenses of members of advisory committees or State boards;

"(4) purchase, rental, or other acquisition, and maintenance and repair, of instructional equipment;

"(5) purchase of instructional supplies and teaching aids;

"(6) necessary costs of transportation of students;

"(7) securing necessary educational information and data as a basis for the proper development of vocational education programs and programs of vocational guidance under the provisions of this title;

"(8) training of the unemployed and underemployed individuals over 18 years of age in order to provide to them a reasonable expectation for gainful employment;

"(9) training programs established pursuant to agreements with prospective employers either in established vocational training facilities or in work areas destined for production by such employers.

"(b) Any equipment and teaching aids purchased with funds appropriated to carry out the provisions of this title shall become the property of the State.

"(c) The cost of administration of a State plan providing for training and retraining of the unemployed and underemployed may not include any portion of the cost of the purchase, preservation, erection, or repair of any building or buildings or the purchase or rental of any land.

"Additional State plan requirements

"SEC. 405 (a) To be eligible to participate in this title the State plan must be amended to include a new part which—

"(1) designates the State Board as the sole agency for administration of such part of the plan (or for the supervision of the administration thereof by State or local educational agencies);

"(2) provides minimum qualifications for teachers, teacher-trainers, supervisors, directors and others having responsibilities under the plan;

"(3) shows the plans, policies, and methods to be followed in carrying out such part of the State plan;

"(4) provides such accounting, budgeting, and other fiscal methods and procedures as are necessary for the proper and efficient administration of such part of the State plan;

"(5) provides that the State board will make such reports to the Commissioner, in such form and containing such information, as are reasonably necessary to enable the Commissioner to perform his functions under this title;

"(6) provides, to the extent possible under State law, that individuals shall not be disqualified from unemployment compensation benefits during training under this title of persons who can reasonably be expected to secure gainful employment upon the completion of such training;

"(7) provides a general definition of an individual who is unemployed or underemployed who shall be trained under this part of such plan; and

"(8) provides appropriate procedures developed by the State board after consultation with the State bureau of employment security or its equivalent for determining qualifications and standards pursuant to which individuals shall be eligible for training.

"(b) The Commissioner shall approve a part of any plan for purposes of this title if he finds that it fulfills the conditions specified in subsection (a) of this section.

"(c) Whenever the Commissioner after reasonable notice and opportunity for hearing to the State board finds that—

"(1) the part of the State plan approved under subsection (b) has been so changed that it no longer complies with any provision required by subsection (a) of this section to be included in such part; or

"(2) in the administration of such part of the plan there is a failure to comply substantially with any such provision;

the Commissioner shall notify such State board that no further payments will be made to the State from its allotments under section 402 (or, in his discretion, that further payments will not be made to the State for projects under or portions of such part of the State plan affected by such failure) until he is satisfied that there is no longer any such failure. Until he is so satisfied the Commissioner shall make no further payments to such State from its allotments under section 402 (or shall limit payments to projects under or portions of such part of the State plan in which there is no such failure).

"(d) (1) If any State is dissatisfied with the Commissioner's action under subsection (c) of this section, such State may appeal to the United States Court of Appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

"(2) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

"(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"Appropriations for administration

"SEC. 406. There are hereby authorized to be included for each fiscal year in the appropriations for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this title.

"Definitions

"SEC. 407. For purposes of this title—

"(a) The term 'State' includes the Virgin Islands, Puerto Rico, the District of Columbia, and Guam.

"(b) The term 'Commissioner' means the Commissioner of Education.

"(c) The terms 'State Plan' and 'State Board' shall have the meaning which said terms have in the Act approved February 23, 1917 (39 Stat. 929, ch. 114).

"(d) The term 'Training and Retraining of the Unemployed or Underemployed' means training of less than college grade which is given under public supervision and control and is conducted as a part of a program designed to prepare individuals for gainful employment. In addition, the term includes vocational guidance necessary in connection with any such program and the training of teachers, teacher-trainers, supervisors, and directors for any such program, but does not include courses which have only incidental relationship to the specialized training needed by an individual for useful employment.

"(e) The term 'unemployed or underemployed' means a person over 18 years of age who is certified as being unemployed or underemployed within the meaning of the State regulations approved pursuant to section 405 of this title, provided a person is determined to be unemployed or underemployed by the appropriate State agency.

"(f) The term 'local educational agency' means a board of education or other legally

constituted local school authority having administrative control and direction of public secondary schools in a county, township, independent, or other school district, or having such control and direction over vocational education in such schools."

EXPLANATION OF BILL SUBMITTED BY SENATOR JENNINGS RANDOLPH

WASHINGTON.—Senator JENNINGS RANDOLPH, Democrat, of West Virginia, today introduced a bill which would provide $12 million a year to assist the States in providing training for the unemployed and the underemployed.

"My purpose in introducing this bill now is to lay the groundwork for intelligent action by Congress next January," Senator RANDOLPH explained.

"I had hoped that the area redevelopment bill would have provided us with some pilot studies of how best to train the unemployed," he said. "But the President's veto of that much needed and worthwhile legislation has deprived us of this opportunity."

Senator RANDOLPH announced that the recently created Senate Subcommittee on Employment and Manpower, of which he is chairman, will hold hearings on the bill this summer. At least one of the hearings will be held in West Virginia.

"Our subcommittee wants to reexamine the entire field of vocational education in the light of America's manpower needs of the 1960's," he continued.

"One dimension of our manpower problems is the serious unemployment threatened by automation, which already has seriously affected the coal producing States. Other States doubtless will face the same problem in the years ahead as automation spreads to other industries."

RANDOLPH'S bill would amend the Vocational Education Act of 1946 to enable States to match Federal funds for financing training programs for unemployed persons over 18 years of age "who can reasonably be expected to secure gainful employment after such training has been completed."

During the first year of the State-administered program, the Federal Government would pay 75 percent of the cost. After that the program would be financed on a 50–50 matching basis.

The bill would permit training to be done on the premises of a prospective employer before his business actually is in production, Senator RANDOLPH said.

"This type of training has been used successfully in several States as an additional inducement for attracting new industries into labor surplus areas," he explained.

Representative KEN HECHLER, Democrat, of West Virginia, introduced a similar bill in the House today.

STUDY OF TELECOMMUNICATIONS

Mr. HARTKE. Mr. President, not long ago we sent aloft a weather satellite. Then we orbited a navigation satellite. And soon, we are told, we shall have an "eye in the sky" to take pictures and transmit them to earth. Radio signals are being transmitted back and forth to a host of spheres circling the earth.

In addition to this, we have begun the use of radioed "instructions" to missiles, airplanes and other vehicles. Airplanes and ships have come to use radar and radio as simply as they use gasoline. We are using radio telescopes. Nearly every community makes use of radio in emergency vehicles. Thousands of amateur radio operators broadcast back and forth in this country and overseas. Thousands of commercial radio and television stations are in operation.

These electronic wonders are controlled by the Federal Communications Commission, National Aeronautics and Space Agency, State Department, Defense Department, Office of Civil Defense and others. Experts tell us we do not know exactly where we stand in telecommunications.

If we cannot figure out where we are and who has charge of what in the myriad of present-day communications problems, we certainly will not be able to cope with the pyramiding problems to come. Yet, this is an infant field. It has, unfortunately, grown like Topsy.

In this session of Congress we have been faced with a few of the problems of commercial radio and television—problems in regulating advertising, payola and rigged programs and coverage of political campaigns.

In addition, we have seen overlapping of agencies and of civilian and military control. There is chaos in parts of the communications field. Where there is no overlapping, members of the Commission in charge often cannot agree.

Legislation of some kind, perhaps centralizing authority and clarifying development, must come soon. We intend to offer some kind of such legislation in the early days of the next Congress. Meanwhile, a study of the status and needs in telecommunications is vital. I am not so much interested in the form of this study as I am in seeing that there is a study.

Mr. President, I therefore introduce, for appropriate reference, a joint resolution to provide for establishing a commission to study and to report on the organization of the Federal Communications Commission and the manner in which the electromagnetic spectrum is to be allocated in the agencies and instrumentalities of the Federal Government.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 211) to establish a commission to study and report on the organization of the Federal Communications Commission and the manner in which the electromagnetic spectrum is allocated in the agencies and instrumentalities of the Federal Government, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed as a part of my remarks a short statement outlining further the need for such legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEED FOR LEGISLATION

The development of so valuable a natural resource as the radio spectrum is a matter of paramount importance. The spectrum is a publicly owned natural resource the importance of which increases year by year as its use for varied purposes grows. It has long been apparent that the capacity of this resource is not unlimited and that its effective utilization cannot be expanded indefinitely. The interdependence of regulatory measures and technology in making possible the most effective use of the spectrum is a significant point that requires most painstaking study. The use of the spectrum requires as careful planning and administration as any other national resource.

As early as 1951, in a report of the President's Communications Policy Board, headed by the distinguished Dr. Irving Stewart and entitled "Telecommunications—A Program for Progress," it was recognized among other things that:

"Measured in terms of spectrum space rather than in number of discrete frequency channels, the Federal Government's share of the spectrum, though not so great as is commonly believed, is nevertheless large. While we do not know that it is out of proportion to the Government's responsibilities, it must have the most adequate justification and careful management if the greatest benefit is to be obtained from it.

"There is need for a continuing determination of the changing requirements of Federal Government users both among themselves and in relation to the requirements of other users."

The Communications Act of 1934, as amended, was written when radio was not so highly developed, when television as we know it today was in the stages of invention and experimentation, and long before the technical advances made in this field which have led to the unprecedented demands for spectrum space that exist today. Under the provisions of the Communications Act, a dual system of allocating radio frequencies as between Federal Government and non-Government users was established. The responsibility for the assignment of nongovernmental radio frequencies rests with the Federal Communications Commission, while the President is empowered to assign frequencies to Federal Government users. Information concerning the users of the FCC-controlled frequencies is a matter of public record while on the other hand very little has been made public with reference to frequencies assigned to the Government. The limitations of the Communications Act of 1934, as amended, and of the Federal Communications Commission whose responsibility it is to administer this act, has been the subject of much consideration by the Congress in recent years.

In a report submitted to the Senate Committee on Interstate and Foreign Commerce by Edward L. Bowles, consulting professor of industrial management of the Massachusetts Institute of Technology, and specialist in communications and electronics, it was stated with respect to allocations and other communications policy that:

"There is no high-level agency within the Government to resolve conflicts arising among governmental interests, much less those arising between governmental and nongovernmental interests. Government policy and administrative development have not kept pace with technical and industrial development in communications. The modernization of the national air control facilities presents, in itself, a vital problem. Radar and other communications developments in the military area, under present lack of overall administration, promise to present serious conflicts with civil communications, including interference with television broadcasting, if allocations plans are not scrupulously coordinated. In ordinary circumstances, a lack of overall unity may be simply inconvenient, in times of emergency it can prove disastrous—techniques have advanced at a prodigious rate and two existing new modes of radio communication have been discovered, ionospheric and tropospheric scattering. The military have particular reason to be interested in the potentialities of these new techniques. Ionospheric scattering points to new applications in the lower VHF band, tropospheric scattering, the UHF band.

"In 1959 there is to be an International Radio Conference. Our needs must be clearly understood if we are to plead them successfully and secure them by international agreement. There is thus an imperative need for a critical study of the radio spectrum in terms of governmental and nongovernmental needs."

It must be emphasized that in this electronics age each Government agency must have the share of spectrum space required for the full discharge of its responsibilities. But, in view of the increasing demand and the relatively limited number of channels available, every precaution should be taken to insure that the Government has not unnecessarily preempted spectrum space. Unless our Government knows specifically its current use of the spectrum and what its future needs are, or are likely to be, the best interests of the United States will suffer. Demands by non-Government users are increasing as each day passes. The need for facts which would be developed by the Commission are urgent and compelling. Careful planning and skilled administration are essential if we are to make the effective use of this most valuable resource—the radio frequency spectrum—and advance the interests of the United States.

VOLUNTARY PENSION PLANS FOR SELF-EMPLOYED INDIVIDUALS—AMENDMENTS

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, which were ordered to lie on the table and be printed.

Mr. HARTKE submitted amendments, intended to be proposed by him, to House bill 10, supra, which were ordered to lie on the table and be printed.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENTS

Mr. KEATING. Mr. President, I submit two amendments to H.R. 12580, the Social Security Act passed by the House which is now before the Senate Finance Committee. I ask that these amendments be printed and also request unanimous consent that they appear at this point in my remarks so that the Members may have an opportunity to study them prior to our consideration of H.R. 12580.

The PRESIDING OFFICER. The amendments will be received, printed, and appropriately referred; and, without objection, the amendments will be printed in the RECORD.

The amendments were referred to the Committee on Finance, as follows:

On page 27, line 17, strike out "(A)".

On page 27, line 22, strike out "(B)" and insert in lieu thereof "(2)".

On page 28, line 1, strike out "(2)", and insert in lieu thereof "(b)".

On page 28, beginning with line 7, strike out all through line 14.

On page 42, line 13, strike out "subsection (a)" and insert in lieu thereof "subsections (a) and (b)".

On page 80, between lines 3 and 4, insert the following new section:

"ELIMINATION OF DEDUCTIONS FROM BENEFITS ON ACCOUNT OF WORK

"SEC. 211. (a) Subsections (c), (e), (g), (j), and (k) of section 203 of the Social Security Act are repealed.

"(b) Subsection (b) of such section 203 is amended by (1) striking out 'Work or' in the heading, and (2) striking out paragraphs (1) and (2) thereof.

"(c) (1) The first sentence of subsection (d) of such section 203 is amended by striking out 'subsections (b) and (e)' and inserting in lieu thereof 'subsection (b).'

"(2) The second sentence of such subsection (d) is repealed.

"(d) Subsection (f) of such section 203 (as amended by section 209(a) of this Act) is amended by striking out '(other than an event specified in subsection (b)(1))'.

"(e) Paragraph (1) of subsection (h) of such section 203 is amended by striking out ', (f), or (g)' and inserting in lieu thereof ', or (f)'.

"(f) Subsection (l) of such section 203 is amended by striking out 'or (g)'.

"(g) Paragraph (1) of subsection (n) of section 202 of the Social Security Act is amended by striking out 'section 203 (b) and (c)' and inserting in lieu thereof 'section 203(b)'.

"(h) Paragraph (7) of subsection (t) of section 202 of the Social Security Act is amended by striking out 'subsection (b) and (c)' and inserting in lieu thereof 'subsection (b)'.

"(i) The amendments made by this section shall apply only with respect to monthly benefits payable under title II of the Social Security Act for months beginning after the month in which this Act is enacted."

On page 80, between lines 3 and 4, insert the following new section:

"SEC. 211. (a)(1) Paragraphs (1) and (2) of subsection (e) of section 203 of the Social Security Act are amended by striking out '$1,200' wherever it appears therein and inserting in lieu thereof '$1,800', and (2) such paragraphs and paragraph (1) of subsection (g) of such section are amended by striking out '$100 times' whenever it appears therein and inserting in lieu thereof '$150 times'.

"(b) The amendments made by subsection (a) shall be effective, in the case of any individual, with respect to taxable years of such individual ending after 1960."

Mr. KEATING. Mr. President, let me briefly explain these amendments. Both relate to the limitation on the earnings of persons receiving social security old-age benefits. The first calls for the complete elimination of the existing $1,200 per year earnings limitation and is based on a bill which I have introduced in the Senate (S. 1168) and which I also introduced for many years as a Member of the House.

My second amendment would raise the earnings limit to $1,800. Recognizing that many Members are unprepared at the present time to go along with the complete elimination of the so-called earnings test, it is my hope that they will give consideration to the second of these two amendments—which may be a somewhat more accurate reflection of the present tenor of the sentiments of the Congress with respect to the unrealistic and, I believe, unnecessary social security earnings test.

The last change in the basic earnings test dollar amount was in 1954, when the earnings limit, then $75 a month, was raised to $100 a month. My second amendment would raise this figure to $150 a month. Certainly, in view of the increased cost of living, a moderate revision along these lines is merited in order to reduce the extent to which the present earnings ceiling serves as a definite and direct disincentive for a social security recipient to do substantial and rewarding work after reaching the legal retirement age.

Many of our older people between the ages of 65 and 72 are anxious to do a limited amount of work. They can contribute to our economy, in many cases, and they live longer and feel better if they are engaged in gainful work. People are constituted differently, but that is certainly the view of many.

The objection that has always been made to such amendments is keyed to their effect upon the Social Security Trust Fund. I have had some estimates made, the first on what it would cost to completely remove the earnings limitation. This is estimated to cost about one-half of 1 percent of taxable earnings to both the employer and his employee, or a total of 1 percent, and would affect a little over 2 million persons between the ages of 65 and 72.

It is my impression that employers and employees generally are prepared for such an increase in order to keep the trust fund fiscally sound.

There is no reason why there should be a social security earnings limitation. It is an arbitrary and artifical barrier, and although it perhaps was necessary at one time, it no longer is of any use, and, in fact, is now frequently a detriment to a happy retirement for those affected.

The second amendment, to raise the limitation on earnings to $1,800 a year, is estimated to cost less than one-eighth of 1 percent to both employer and employee, or a total payroll cost of less than one-quarter of 1 percent. It would affect somewhere between a half and three-quarters of a million retired persons. The additional cost here, in my judgment, might well be absorbed in the presently scheduled increases in the social security tax rates over the next 4 years. During that time, it will be remembered, the taxes on both employer and employee are scheduled to increase by 1½ percent.

Nevertheless, whatever the fiscal result is, I believe employers and employees are fully prepared to increase the tax, certainly to this modest extent, in order to rectify, or at least mitigate, the existing inequity in our social security laws with respect to the amount of money which a person may earn without losing the benefits under the act.

It will be my purpose to offer both of these amendments. I hope I shall have an opportunity to discuss them with or before the Senate Finance Committee. It will be my intention to offer them when the social security bill reaches the floor; the first one in order to have discussion on it, and, frankly, to determine how some of the other Members may feel about the elimination of the earnings test completely. I know that there is a strong sentiment for it among Members of this body, I believe perhaps a majority of the Members, but it may be necessary to withdraw this amendment and then offer the more moderate one at the present time.

In the interest of time, I ask unanimous consent that certain excerpts from a statement which I wrote for the

magazine Greater Rochester Commerce, in which I outlined my views on this subject, be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT ON THE SOCIAL SECURITY EARNINGS TEST

(By KENNETH B. KEATING, U.S. Senator from New York)

As is well known, a person receiving social security payments is limited as to the amount of income which he can earn and still receive benefits under existing social security procedures. The law states that if an individual earns more than $100 a month, he is not entitled to receive social security for that month. Spread over the year, this means that if he has an annual earned income of more than $2,080, or monthly wage of more than $100 he forfeits OASI payments for the period.

I do not believe that there is any justification for this arbitrary limitation on earnings. If an individual regularly pays into the social security trust fund, he should be entitled to the full benefits for which he has paid. Social security payments are not simply relief. * * *

There is another important humane reason for removing this limitation on earnings. Many older persons are much happier and contented to continue working, even at a reduced pace but they are deterred from doing so because they feel they have paid for their social security and should not surrender its benefits. They should not be forced to do so.

I have introduced a bill which would remove the limitations on earnings for persons covered under social security. This bill (S. 1168) was referred to the Senate Committee on Finance where it is still pending. The bill is straightforward and uncomplicated. It would simply remove the limitation by deleting those sections of the existing law which limit earnings to $100 per month.

I shall continue to press for this legislation and in this way seek to bring our social security program more in line with our economic system and our ideas about government. It is my hope that in the near future every person covered under social security will receive equal treatment as to the level and frequency of benefits and the present discriminations will be removed.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. COTTON. Mr. President, I wish to commend the distinguished Senator from New York not only for what he has said on the floor this morning but also for the work he has given in past years, to my knowledge, in the matter of enabling our elder citizens who have retired and are under social security to have the privilege of earning more.

It is a subject in which I am deeply interested. I have introduced a bill in the Senate every session since I have been a Member of the Senate, and also in the House during the last session that I was a Member of the House to increase the limit on earnings.

I, too, feel very strongly that it is fundamentally wrong and unsound for medical science to extend the span of vigor and usefulness of life, and then for the Government to place such citizens "on the shelf," so that in their latter days they are discontented, unhappy, and frustrated.

So long as their retirement is an actual retirement, and not in any sense a retirement of such people while permitting them to go on with their same responsibilities and their same duties, I see no reason why there should be any limitation on what they may earn and still enjoy the social security for which they have paid.

I agree that even a step in the right direction is necessary and would be very helpful. I assure the Senator from New York that I shall second all of his efforts to try to secure before we adjourn, if possible, a relaxation of what most of us feel is a very unjust limitation on our older people, and one that is casting a shadow over the latter days of many a fine and useful life.

Mr. KEATING. Mr. President, I very much appreciate the comments of the distinguished Senator from New Hampshire. I know from my own personal interest in this problem of his long-time, vigorous and vocal interest in seeing to it that our elder citizens get a better break under our social security laws. I am aware of the fact that he has introduced proposed legislation very similar to that which I have mentioned here this morning. His interest in and support for this proposed legislation will, I know, be a powerful and persuasive assistance when these amendments are offered. I welcome his interest and support.

Mr. JAVITS submitted an amendment, intended to be proposed by him, to House bill 12580, the social security bill, which was referred to the Committee on Finance, and ordered to be printed.

Mr. MORSE. Mr. President, I submit an amendment to H.R. 12580, and ask that it be printed and lie on the table. I also ask unanimous consent that it be printed in the RECORD at this point.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Finance, as follows:

TITLE VI—HOSPITAL AND SURGICAL INSURANCE

Amendments to title II of the Social Security Act

SEC. 601. (a) Title II of the Social Security Act is amended by adding after section 225 the following new section:

"HOSPITALIZATION AND SURGICAL INSURANCE

"Eligibility for insurance

"SEC. 226. (a)(1) The cost of hospital or nursing home services furnished to any individual during any month for which he is entitled to monthly benefits under section 202 (whether or not such benefits are actually paid to him) or is deemed entitled to such benefits under the provisions of paragraph 2, or the cost of such services furnished to him during the month of his death where he ceases to be entitled by reason of his death, and the cost of surgical services which are not of an elective nature, shall, subject to the provisions of this section, be paid from the Federal Old-Age and Survivors Insurance Trust Fund to the hospital, physician, and nursing home which furnished him the services. Services to be paid for in accordance with the provisions of this section include only services provided in the United States.

"(2) For purposes of this section, (A) any individual who would upon filing application therefor, be entitled to monthly benefits for any month under section 202 shall, if he files application under this section within the time limits prescribed in section 202(j) be deemed, for purposes of this section only, to be entitled to benefits for such month, (B) such individual shall, whether or not he files application under this section, be deemed to be entitled to benefits under section 202 for such month for purposes of determining whether the wife, husband, or child of such individual comes within the provisions of clause (A) hereof, and (C) any individual shall, for purposes of this section, be deemed entitled to benefits under section 202 if such individual could have been deemed under clauses (A) or (B) of this paragraph to have been so entitled had he not died during such month.

"(3) For purposes of paragraph (2), an individual's application under this section may, subject to regulations, be filed (whether such individual is legally competent or incompetent) by any relative or other person, including the hospital, physician, or nursing home furnishing him hospital, surgical, and nursing home services and, after such individual's death, his estate.

"(4) Payments may be made for hospital services furnished under this section to an individual during his first sixty days of hospitalization in a twelve-month period that begins with the first day of the first month in which the individual received hospital services for which a payment is made under this section, and during his first sixty days of hospitalization in each succeeding twelve-month period; and for nursing home services furnished under this section to an individual if the individual is transferred to the nursing home from the hospital, and if the services are for an illness or condition associated with that for which he received hospital services: *Provided*, That the number of days of nursing home services for which payments may be made shall, in any twelve-month period as described above, not exceed one hundred and twenty less the number of days of hospital services (in the same twelve-month period) for which payments are made under this section.

"(5) The provisions of section 205 relating to the making and review of determinations shall be applicable to determinations as to whether the costs of hospital, nursing home, and surgical services furnished an individual may be paid out for the Federal Old-Age and Survivors Insurance Trust Fund under this subsection, and the amount of such payment.

"Description of hospital, nursing home, and surgical services

"(b)(1) For purposes of this section, the term 'hospital services' means the following services, drugs, and appliances furnished by a hospital to any individual as a bed patient; bed and board and such nursing services, laboratory services, ambulance services, use of operating room, staff services, and other services, drugs, and appliances as are customarily furnished by such hospital to its bed patients either through its own employees or through persons with whom it has made arrangements for such services, drugs, or appliances; the term 'hospital services' includes such medical care as is generally furnished by hospitals as an essential part of hospital care for bed patients; such term shall include care in hospitals described in paragraph (1) of subsection (d); such term shall not include care in any tuberculosis or mental hospital.

"(2) The term 'nursing home services' means skilled nursing care, related medical and personal services and accompanying bed and board furnished by a facility which is equipped to provide such services, and (A) which is operated in connection with a hospital, or (B) in which such skilled nursing care and medical services are prescribed by,

or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

"(3) The term 'surgical services' means surgical procedures (other than elective surgery) provided in a hospital, or in case of an emergency or for minor surgery, provided in the outpatient department of a hospital or in a doctor's office. Surgical services may include oral surgery when provided in a hospital. The term 'elective surgery' means surgery that is requested by the patient, but which in the opinion of cognizant medical authority is not medically required.

"Free choice by patient

"(c) (1) Any individual referred to in paragraphs (1) and (2) of subsection (a) may obtain the hospital or nursing home services for which payment to the hospital or nursing home is provided by this section from any hospital or nursing home which has entered into an agreement under this section, which admits such individual and to which such individual has been referred by a physician or (in the case of hospital or nursing home services furnished in conjunction with oral surgery) dentist licensed by the State in which such individual resides or the hospital or nursing home is located, upon a determination by the physician or dentist that hospitalization or nursing home care for such individual is medically necessary; except that such referral shall not be required in an emergency situation which makes such a requirement impractical.

"(2) Any individual referred to in paragraphs (1) and (2) of subsection (a) may, with respect to the surgical services for which payment is provided by this section, freely select the surgeon of his choice, provided that the surgeon is certified by the American Board of Surgery or is a member of the American College of Surgeons except that such certification shall not be required in cases of emergency where the life of the patient would be endangered by any delay, or in such other cases where such certification is not practicable, and except that, in the case of oral surgery, such individual may select a duly licensed dentist.

"(3) Regulations under this section shall provide for payments (in such amounts and upon such conditions as may be prescribed in such regulations) to (A) hospitals for hospitals services rendered in emergency situations to individuals referred to in paragraphs (1) and (2) of subsection (a) by hospitals which have not entered into an agreement under this section, and (B) physicians for surgical services rendered by physicians not certified by the American Board of Surgery or not members of the American College of Surgery.

"Agreements with hospitals, nursing homes and providers of surgical services

"(d) (1) Any institution (other than a tuberculosis or mental hospital) shall be eligible to enter into an agreement for payment from the Federal Old-Age and Survivors Insurance Trust Fund of the cost of hospital or nursing home services furnished to individuals referred to in paragraphs (1) and (2) of subsection (a) if it is licensed as a hospital or nursing home pursuant to the law of the State in which it is located.

"(2) Each agreement with a hospital under this section shall cover all hospital services included under subsection (b) (which services shall be listed in the agreement), shall provide that such services shall be furnished in semiprivate accommodations if available unless other accommodations are required for medical reasons, or are occupied at the request of the patient, shall be made upon such other terms and conditions as are consistent with the efficient and economical administration of this section, and shall continue in force for such period and be terminable upon such notice as may be agreed upon.

"(3) An agreement with a hospital or nursing home under this section shall provide for payment, under the conditions and to the extent provided in this section, of the cost of hospital and nursing home services which are furnished individuals referred to in paragraphs (1) and (2) of subsection (a): *Provided*, That no such payment shall be made for services for which the hospital or nursing home has already been paid (excluding payments by such individuals for which reimbursement to them by the hospital has been assured); but no such agreement shall provide for payment with respect to hospital or nursing home services furnished to an individual unless the hospital or nursing home obtains written certification by the physician (if any) who referred him pursuant to subsection (c) that his hospitalization or care in the nursing home was medically necessary and, with respect to any period during which such services were furnished, written certification by such individual's attending physician during that period that such services were medically necessary. The amount of the payments under any such agreement shall be determined on the basis of the reasonable cost incurred by the hospital or nursing home for all bed patients, or, when use of such a basis is impractical for the hospital or nursing home or inequitable to the institution or the Federal Old-Age and Survivors Insurance Trust Fund, on a reasonably equivalent basis which takes account of pertinent factors with respect to services furnished to individuals referred to in paragraphs (1) and (2) of subsection (a). Any such agreement shall preclude the hospital or nursing home with which the agreement is made from requiring payments from individuals for services, payment of the cost of which is provided by this section, after it has been notified that the cost of such services is payable from the Federal Old-Age and Survivors Insurance Trust Fund, except that it may require payments from such individuals for the additional cost of accommodations occupied by them at their request which are more expensive than semiprivate accommodations.

"(4) Except as provided by regulation, no agreement may provide for payments (A) to any Federal hospital, or to any other hospital for hospital services which it is obligated by contract with the United States (other than an agreement under this section) to furnish at the expense of the United States, or (B) to any hospital for hospital services which it is required by law or obligated by contract with a State or subdivision thereof to furnish at public expense except where the eligibility of the individual for such services is determined by application of a means test.

"(5) No supervision or control over the details of administration or operation, or over the selection, tenure, or compensation of personnel, shall be exercised under the authority of this section over any hospital or nursing home which has entered into an agreement under this section.

"(6) Agreements under this subsection shall be made with the hospital or nursing home providing the services, but this paragraph shall not preclude representation of such institution by any individual, association, or organization authorized by the institution to act on its behalf.

"(7) The Secretary shall enter into agreements with qualified providers of surgical services as defined in paragraph (2) of subsection (c). Such agreements shall stipulate that the rates of payment agreed on shall constitute full payment for these services. Such agreements may be made with any qualified individual, or with any association or organization authorized by the surgeons, dentists, or physicians to act in their behalf.

"(8) Nothing in such agreements or in this Act shall be construed to give the Secretary supervision or control over the practice of medicine or the manner in which medical services are provided.

"(9) Except to the extent the Secretary has made provision pursuant to subsection (h) for the making of payments to hospitals and nursing homes by a private nonprofit organization or for the making of payments to physicians, dentists, and surgeons by their designated representatives, he shall from time to time determine the amount to be paid to such provider of service under an agreement with respect to services furnished, and shall certify such amount to the Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund, except that such amount shall, prior to certification, be reduced or increased, as the case may be, by any sum by which the Secretary finds that the amount paid to the provider of services for any prior period was greater or less than the amount which should have been paid to it for such period. The Managing Trustee prior to audit or settlement by the General Accounting Office, shall make payment from the Federal Old-Age and Survivors Insurance Trust Fund, at the time or times fixed by the Secretary, in accordance with such certification.

"Nondisclosure of information

"(e) Information concerning an individual, obtained from him or from any physician, dentist, nurse, hospital, nursing home, or other person pursuant to or as a result of the administration of this section, shall be held confidential (except for statistical purposes) and shall not be disclosed or be open to public inspection in any manner revealing the identity of the individual or other person from whom the information was obtained or to whom the information pertains, except as may be necessary for the proper administration of this section. Any person who shall violate any provision of this subsection shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

"Medical and hospital services under workmen's compensation

"(f) The provisions of subsection (a) shall not be applicable to any services which an individual required by reason of any injury, disease, or disability on account of which such services are being received or the cost thereof paid for, or upon application therefor would be received or paid for, under a workmen's compensation law or plan of the United States or of any State, unless equitable reimbursement to the Federal Old-Age and Survivors Insurance Fund for the payments hereunder with respect to such services have been made or assured pursuant to agreements or working arrangements negotiated between the Secretary and the appropriate public agency. Notwithstanding the above sentence, if (1) the individual's entitlement to receive such services (or to have the cost thereof paid for) under such a workmen's compensation law or plan is in doubt when such services are required, (2) the cost of such services is otherwise payable from the Federal Old-Age and Survivors Insurance Trust Fund pursuant to this section, and (3) the individual makes an appropriate application under such workmen's compensation law or plan and agrees, in the event that he is subsequently determined to be entitled to receive such services (or to have the cost thereof paid for) under such law, to reimburse the Federal Old-Age and Survivors Insurance Trust Fund in the amount of any loss it might suffer through its payment for such services, then the cost of such services may be paid from such Trust Fund in accordance with this section. In any case

in which the cost of services is paid from the Federal Old-Age and Survivors Insurance Trust Fund pursuant to the immediately preceding sentence, or is paid from such Trust Fund with respect to any such injury, disease, or disability for which no reimbursement to such Trust Fund has been made or assured pursuant to the first sentence of this subsection, the United States shall, unless not permitted under the law of the applicable State (other than the District of Columbia) be subrogated to all rights of such individual, or of the provider of services to which payments under this section with respect to such services are made, to be paid or reimbursed pursuant to such workmen's compensation law or plan for such payments. All amounts recovered pursuant to this subsection shall be deposited in the Treasury of the United States to the credit of the Federal Old-Age and Survivors Insurance Trust Fund.

"Regulations and functions of Advisory Council

"(g) All regulations specifically authorized by this section shall be prescribed by the Secretary. In administering this section, the Secretary shall consult with a National Advisory Health Council consisting of the Commissioner of Social Security, who shall serve as Chairman ex officio, and eight members appointed by the Secretary. Four of the eight appointed members shall be persons who are outstanding in fields pertaining to hospital and health activities, and the other four members shall be appointed to represent the consumers of hospital, nursing home, and surgical services, and shall be persons familiar with the need for such services by eligible groups. Each appointed member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as described by the Secretary at the time of appointment, two at the end of the first year, two at the end of the second year, two at the end of the third year, and two at the end of the fourth year after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms but shall be eligible for reappointment if he has not served immediately preceding his reappointment. The Council is authorized to appoint such special advisory and technical committees as may be useful in carrying out its functions. Appointed Council members and members of advisory or technical committees, while serving on business of the Council, shall receive compensation at rates fixed by the Secretary, but not exceeding $50 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence. The Council shall meet as frequently as the Secretary deems necessary, but not less than once each year. Upon request by three or more members it shall be the duty of the Secretary to call a meeting of the Council.

"Utilization of private nonprofit organizations

"(h)(1) The Secretary may utilize, to the extent provided herein, the services of private nonprofit organizations exempt from Federal income taxation under section 501 of the Internal Revenue Code of 1954 which (A) represent qualified providers of hospital, nursing home, or surgical services, or (B) operate voluntary insurance plans under which agreements, similar to those provided for under subsection (d), are made with hospitals, nursing homes, and physicians for defraying the cost of services. Such organizations shall be utilized by the Secretary to the extent that he can make satisfactory agreements with them and to the extent he determines that such utilization will contribute to the effective and economical administration of this section. Such agreements shall not delegate (A) his functions relating to determinations as to whether the costs of hospital, nursing home, and surgical services furnished an individual may be paid for out of the Federal Old-Age and Survivors Insurance Trust Fund under this section and the amount of such payment, and (B) his functions relating to the making of regulations.

"(2) An agreement under paragraph (1) shall provide for payment from the Federal Old-Age and Survivors Insurance Trust Fund to the organization of the amounts paid out by such organization to hospitals, nursing homes, physicians, and dentists, under this section and of the cost of administration determined by the Secretary to be necessary and proper for carrying out such organization's functions under its agreement pursuant to this subsection. Such payments to any organization shall be made either in advance on the basis of estimates by the Secretary, or as reimbursement, as may be agreed upon by the organization and the Secretary, and adjustments may be made in subsequent payments on account of overpayments or underpayments previously made to the organization under this subsection. Such payments shall be made by the Managing Trustee of the Trust Fund on certification by the Secretary and at such time or times as the Secretary may specify and shall be made prior to audit or settlement by the General Accounting Office.

"(3) An agreement under paragraph (1) with any organization may require any of its officers or employees certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from the Federal Old-Age and Survivors Insurance Trust Fund.

"Certifying and disbursing officers

"(i)(1) No individual designated by the Secretary pursuant to an agreement under this section, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payments certified by him under this section.

"(2) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided in paragraph (1).

"Adjustments in cash benefits

"(j) For purposes of section 204, any payment under this section to any hospital, nursing home, physician, or dentist, with respect to hospital, nursing home, or surgical services furnished an individual shall be regarded as a payment to such individual."

(b) The amendments made by subsection (a) shall be effective on the first day of the twelfth calendar month after the month in which this Act is enacted.

(c) Notwithstanding the provisions of section 226(a)(2) of the Social Security Act, as amended by this title, and subsection (b) of this section, applications filed under such section 226 which would otherwise be valid shall, subject to regulations of the Secretary, be considered valid even though filed more than three months prior to the effective date of this title, but not if filed prior to the first day of the fourth calendar month after the month in which this title is enacted.

Amendments to the Internal Revenue Code

SEC. 602. (a) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) is amended to read as follows:

"SEC. 1401. RATE OF TAX.

In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax as follows:

"(1) in the case of any taxable year beginning after December 31, 1960, and before January 1, 1963, the tax shall be equal to 4⅞ percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1962, and before January 1, 1966, the tax shall be equal to 5⅝ percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1965, and before January 1, 1969, the tax shall be equal to 6⅜ percent of the amount of the self-employment income tax for such taxable year; and

"(4) in the case of any taxable year beginning after December 31, 1968, the tax shall be equal to 7⅛ percent of the amount of the self-employment income for such taxable year."

(b) Section 3101 of such Code (relating to rate of tax on employees under the Federal Insurance Contributions Act) is amended to read as follows:

"SEC. 3101. RATE OF TAX.

"In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages received during the calendar years 1961 and 1962, the rate shall be 3¼ percent;

"(2) with respect to wages received during the calendar years 1963 to 1965, both inclusive, the rate shall be 3¾ percent;

"(3) with respect to wages received during the calendar years 1966 to 1968, both inclusive, the rate shall be 4¼ percent; and

"(4) with respect to wages received after December 31, 1968, the rate shall be 4¾ percent."

(c) Section 3111 of such Code (relating to rate of tax on employers under the Federal Insurance Contributions Act) is amended to read as follows:

"SEC. 3111. RATE OF TAX.

"In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages paid during the calendar years 1961 and 1962, the rate shall be 3¼ percent;

"(2) with respect to wages paid during the calendar years 1963 to 1965, both inclusive, the rate shall be 3¾ percent;

"(3) with respect to wages paid during the calendar years 1966 to 1968, both inclusive, the rate shall be 4¼ percent; and

"(4) with respect to wages paid after December 31, 1968, the rate shall be 4¾ percent."

(d) The amendment made by subsection (a) shall apply only with respect to taxable years beginning after December 31, 1960. The amendments made by subsections (b) and (c) shall apply only with respect to remuneration paid after December 31, 1960.

Mr. MORSE. Mr. President, this amendment is the same as the bill I introduced on February 2, 1959, S. 881, to add surgical and hospital insurance to the social security benefits available to people 65 and over.

It is almost identical to the bill sponsored in the House of Representatives by Representative FORAND. My bill has been pending in the Senate Finance Committee now for nearly 17 months, and was before the committee in the 85th Congress, as well. I am offering it now as an amendment to this House-passed bill, as a substitute for title 6 of that bill.

As long ago as March 26 of this year, I served notice that this measure would be offered on the floor of the Senate. At that time, it appeared that the whole question of health care for the aged would not get out of the House Ways and Means Committee. Speaking at a Midwest Democratic conference in Detroit, Mich., I served notice that I would exercise the right which every Senator has of offering floor amendments, and that my bill would be put before the Senate as an amendment to some tax bill, if that appeared to be the only way to have it considered.

We now have a good chance of considering this subject matter through regular committee proceedings. However, I believe the original version of the Forand bill should be considered, along with the various alternatives proposed by the House of Representatives, by those of us who joined last week in sponsoring the McNamara amendment, and by the administration.

I offer the amendment again today, giving notice that I shall call it up when the House bill is before the Senate.

Mr. SCHOEPPEL submitted an amendment, intended to be proposed by him to House bill 12580, the social security bill, which was referred to the Committee on Finance, and ordered to be printed.

Mr. JAVITS (for himself, Mr. COOPER, Mr. SCOTT, Mr. FONG, Mr. AIKEN, Mr. KEATING, and Mr. PROUTY) submitted an amendment, intended to be proposed by them, jointly, to House bill 12580, the social security bill, which was referred to the Committee on Finance, and ordered to be printed.

DOMESTIC SHRIMP INDUSTRY—ADDITIONAL COSPONSOR OF BILL

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the name of the Senator from Alaska [Mr. BARTLETT] may be added as a consponsor of the bill (S. 3639) for the relief of the domestic shrimp industry, introduced by me on June 7, 1960.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF REPORT ON INTERIM REPORT ON CHICOPEE RIVER BASIN, MASS. (S. DOC. NO. 110)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a favorable report dated June 1, 1960, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on Chicopee River Basin, Mass., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted September 14, 1955, and authorized by the Flood Control Act, approved August 28, 1937.

I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

THE U–2 INCIDENT AND COLLAPSE OF SUMMIT CONFERENCE—SUPPLEMENTAL MINORITY VIEWS

Mr. WILEY. Mr. President, as we know, the Senate Foreign Relations Committee recently completed its report on the U–2 flight incident, and the subsequent Paris debacle.

As I understand it, this report is to be presented to the Senate.

In the report, I was privileged to join the distinguished Senator from Ohio [Mr. LAUSCHE] in minority views.

At this time I request unanimous consent of the Senate to have some supplemental minority views by myself included as part of the overall report.

In addition, I request unanimous consent to have these views printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The supplemental minority views presented by Mr. WILEY are as follows:

Unfortunately, I find the report—to a large degree—unsatisfactory.

Insofar as the document reflects the testimony of witnesses from the executive branch, I believe that it does shed light on the situation.

However, I find that the interpretative aspects of the report leave much to be desired.

In some instances the report gives the impression of trying to find evidence—by microscopic scrutiny of departmental activities—to blame somebody in the administration for the U–2 incident on May 1, and consequently, the failure of the summit conference.

From the evidence, Khrushchev alone was responsible for the blowup.

In addition, the program of overflying the Soviet Union—conducted in accordance with a basic law of national life—self-preservation—was deemed essential for our national security.

In 1947, Congress enacted a law setting up the National Security Council and the Central Intelligence Agency. Prior to that time, we had been a Nation without a centralized effort—in peacetime—to coordinate intelligence in the interests of our security. The experiences of World War II, however, demonstrated that such an agency was necessary. Consequently, the Congress established the CIA to participate in acquiring, as well as coordinating from other agencies and departments, information relating to our national security.

The U–2 flight—under the direction of CIA—was a significant part of that agency's attempt to gather information from behind the Iron Curtain to protect us from sneak attack by secret buildup for a military offensive within the Soviet Union.

Overall, the policy of such flights has been almost unanimously approved as serving the United States and the free world interest.

Now, turning further to the Senate foreign relations report—the conclusions—in my humble judgment—are to a large degree falsely premised, illogical and politically loaded.

To help put the highlights of these events in better perspective, I would like to briefly review the following factors:

REFUTATION OF MAJORITY CONCLUSIONS

First, I do not share the disappointment of the majority in not learning from the Executive the exact specific intelligence objective of the May 1 flight. This is not our business. I am puzzled by the extraordinary reasoning of the majority which at one point in the report declares that it is not possible, because this objective had not been revealed, for the committee "to come to any conclusion as to whether the information sought justified the risks that were taken (in sending the May 1 flight)." Yet in the closing passages of the report the majority, despite this stated inability to reach a conclusion on this vital point, proceeds nevertheless to conclude that the May 1 flight should not have been sent. This, despite their earlier complaint that they were not in a position to reach a conclusion on this point one way or the other.

The majority declares that "little, if any, consideration was given to the proximity of May 1 to the date of the summit conference." The record shows that approval for a flight during a specific period within which this date fell was given by the President, the Secretary of State and the Secretary of Defense. The conclusion of the majority can rest only on the extraordinary assumption that these officials were unaware of the approaching summit.

I believe this to be an assumption that reasonable persons will not accept.

On the contrary, these officials were very much aware of the approaching conference. They were aware also of the importance of the flights and of the necessity of getting vital information during that particular period which would not be available later. They were aware, as the majority has stated, that these flights "had a record of almost 4 years of unbroken success"; that "against this background there would seem to be no reason to assume that the May 1 flight would be any different from any of its predecessors." They were aware that there is almost always at hand some diplomatic reason for not sending flights at a particular time and that if these reasons were made overriding it was difficult to ascertain when such flights could be sent. Further, they were aware that the Soviets knew of these flights and had not made an issue of them.

Under all these circumstances, the decision was made to proceed. It would seem apparent to the minority that this was a sound decision clearly made in the national interest of the United States.

The basic fact is that our difficulties arose not as a result of bad planning or judgment, but as a result, to use the majority's phrase, of "just plain bad luck." Frankly, I do not believe that we can survive in this world if we abandon all enterprise where just plain bad luck could mean failure.

The majority report makes the point that neither the President nor the Secretaries of State and Defense actually knew that this particular flight was in the air. I fail to see the significance of this. The majority alleges that this shows how routine these flights had become. The record shows that all three of these officials knew that such a flight was likely in this period and had given their considered consent to it. This is the matter of importance. I do not believe they had to know the exact details of the flight's progress. When there was trouble, they were immediately informed.

The majority states that the Executive should have expected, because "of the almost psychopathic addiction to secrecy which characterizes the Russian Government," the most violent reaction to be forthcoming when

the U–2 penetration of their territory was made public. This statement overlooks the almost 4 years of perfect performance of this operation and the fact is that the majority has stated there was no reason to believe that this flight would be any different than its predecessors.

The majority states that with regard to the cover story the coordination within the Executive broke down. This statement reflects on our judgment and lack of understanding of the purpose of the Executive in its employment of the cover story. The simple fact is that the cover story, which the records show had been thought out in advance, was maintained as long as, in the opinion of responsible officials, there was any possibility of protecting the security of this particular operation.

It is obvious that the cover story was maintained during a period when our officials did not know the extent of the Soviet's knowledge. Our officials knew that there was a possibility that the Soviets had complete knowledge of the circumstances surrounding the flight but as long as there was any possibility that this was not the case, they maintained the cover story. They did this, realizing that the cover story in the end might be totally repudiated, but, in my judgment, they had no choice but to persist in the cover story as long as there was any possibility of protecting the security of the operation.

Once it was apparent that this possibility had vanished, the cover story was properly abandoned. I continue to believe, however, that it was the proper exercise of judgment to maintain the cover as long as they did.

The majority stresses the fact that the President in ultimately assuming responsibility for the flight took a step unprecedented in intelligence operations. This flight was, itself, an unprecedented type of intelligence operation. Once it was compromised, it seems the President made the wise choice in assuming personal responsibility. I fail to see how, if he had not done so, the demands that Khrushchev made upon him in Paris, would have been altered in any way. In addition, the United States would have been vulnerable to the allegation that the President was not in charge of the activities of the Executive and that our system was such that irresponsible subordinates could act on vital matters without the knowledge or approval of the President.

The majority concludes that the U–2 incident was the immediate "excuse" for not proceeding with the conference. While I concur that the U–2 incident provided the Soviets with an excuse, I do not believe the incident itself was the real reason why the conference did not go forward. The record of the hearings provides ample evidence that the Soviets had concluded some time in advance of the summit conference that they were not going to be able to accomplish the objectives which they sought there. What has been overlooked is the fact that the Soviets did not have to break up the conference because of the U–2 incident. Once the incident had taken place, the Soviet Government had a clear choice. On the one hand, it could have, during the days preceding the summit, simply used the incident as grist for their propaganda operations throughout the world. It could have done this at considerable advantage without at the same time carrying it to the point of actually jeopardizing the summit itself. In addition, it could have used it as an excuse after the summit had taken place to explain the failure of that meeting from their point of view.

On the other hand, the Soviets could choose to use this as an excuse to break up the conference before it began. The important point to remember is that the Soviet Government had these two clear alternative courses open to it. It was not inevitable that they chose the latter course. The U–2 incident gave them an excuse, but it does not provide the answer as to why they chose to use the excuse. The real answer is that they had concluded that the firmness and unity of the Western Powers would prevent them from accomplishing their objectives at the conference.

Hence, I reject the notion that the U–2 episode was a major factor in preventing a fruitful summit conference. In fact, I am convinced that the Soviet realized that, because of the unity of the three Western Powers, they could not gain any of their objectives and had decided in advance to wreck the conference either in its course or before it took place. Whether the conference was wrecked rudely or politely, at the beginning or at the end, is, in the long run, a matter of academic concern in our dealings with the Soviet Union.

Finally, I am disturbed by the criticism implicit in the majority report on the U–2 incident. I do not believe the U–2 operations on May 1, or previously, are something for which our Government should be criticized. Rather, I believe Americans have been heartened by this great demonstration of our country's capacity and that they take pride in the courage and vision of our Government and its leaders for this ingenious and highly successful operation which has immeasurably enhanced the security of our country.

BACKGROUND

For several years, the United States has carried on data-gathering, nonaggressive U–2 flights over Soviet territory. The purpose: to provide us with information necessary to protect ourselves—and the free world—from sneak attack resulting from clandestine military build-ups within the Soviet Union. These flights have been considered essential by our military and intelligence experts for our security.

On May 1, a U–2 plane on an intelligence mission was downed in Soviet territory.

Upon reports of the downing of the plane, the National Aeronautics and Space Administration—under standard procedure in such activities—provided a cover story.

After it became confirmed that the pilot, and possibly part of the plane and equipment, were in Communist hands, then President Eisenhower assumed responsibility for the U–2 flight.

In acknowledging responsibility, President Eisenhower established a new candidness—on a previously hush-hush topic—in international affairs.

Only history will portray the real significance of the decision. In supporting the President, however, I believe that the nations of the world cannot afford to pay nuclear-missile hide-and-seek. The stakes are too high. The fate of nearly 3 billion people around the globe hangs in the balance.

As a world seeking to avoid a devastating nuclear-missile war, we cannot afford to fake about—or sweep under the rug—the necessity of protecting nonaggressive nations against surprise attack—as long as war-oriented, domination-bent countries—like the Communist-dominated ones—exist on earth.

The so-called rules of the game for carrying on such information-gathering activities, may also be obsolete. Traditionally, these required that a nation, if detected in information-gathering activities, deny them at high levels, or shunt responsibility to lower echelons.

Throughout history, however, almost all nations—in the spirit of self-preservation—have found it necessary to collect data essential to their security.

At the United Nations, Ambassador Lodge reviewed only a few of the many ways in which the Communists are engaged in sabotage, espionage, subversion, and other activities.

On May 16, the heads of the United States, France, England, and the Soviet Union—President Eisenhower, President de Gaulle, Prime Minister Macmillian, and Premier Khrushchev, were scheduled to meet in Paris, France, for a so-called summit meeting.

Under the impression that the meeting would take place as scheduled, the heads of the Western Powers proceeded to the conference site. Unfortunately, Premier Khrushchev—for reasons unknown to the West—decided to torpedo the meeting.

Utilizing the U–2 flight as an excuse the Soviet Premier, in an insulting manner, unfitting the leader of a powerful nation, made demands upon the United States that could not be met. As a result, Premier Khrushchev refused to attend a conference of the four powers.

In the light of the Khrushchev blowup at Paris, the question then arose: Did he know about the flights prior to the Paris conference? The answer is: Yes. At a followup meeting in Berlin, he admitted such knowledge.

Why, then, did the Soviet Premier torpedo the meeting?

Although it is not possible to assess motivation—known, perhaps only to him—the following conclusions seem logical from the analysis of events:

In the face of the Western Powers' shoulder-to-shoulder stand against making one-sided concessions favoring the Communists in Berlin or anywhere else, the outlook for attaining Soviet goals was dim.

Behind the Iron Curtain, Mr. Khrushchev has his own troubles which include economic problems and unrest among the intellectuals, creating pressure and a need for a diversionary tactic.

Mao Tse-tung prodded Khrushchev for a tougher line against the West.

The Soviet Premier, too, may have been afraid of the favorable impact which President Eisenhower would have on the people of the Soviet Union if he visited them, as he had been invited to do. Consequently, Mr. Khrushchev "drummed up" an excuse to withdraw the invitation.

And, finally, after all his bragging about the rocket-missile power of the Soviet armed services, Mr. K. found it difficult to "explain away" the freedom with which the United States has been overflying the country.

Was the U–2 flight program, with its inherent dangers, worth the risk? In my opinion, unquestionably, yes. During the program, the United States was able to obtain information essential to our defense planning, on Soviet airfields, aircraft, missile testing and training, special weapons storage, submarine production, atomic production, and aircraft deployments.

The sequence of events prior to, and following, the unfortunate failure of the U–2 flight of May 1, and the torpedoing of the Paris Conference by Soviet Premier Khrushchev, illustrates: Not only the program of overflying the Soviet Union was the cause of the breakdown of the meeting; but, rather, that the Soviet Premier came to Paris with the decision already made of breaking up the conference.

In the aftermath, it is important that the United States—and particularly the Senate Foreign Relations Committee—not provide ammunition for the Soviet Premier to use against our country.

CONCLUSIONS

After a review of the facts of the flights and events surrounding the Paris affair, the following conclusions seem to follow:

1. The U–2 flight program—a dramatically successful program for behind the lines acquisition of information—was a necessary effort in our national and free world defense.

2. The U–2 program of overflying the Soviet Union was not the underlying cause

of the blowup of the Paris Conference by Khrushchev.

3. While there are differences of opinion on the handling of the U–2 flight cover story, this in no way detracts from the significance of the program; nor did it, to any substantial degree, affect the outcome of the Paris Conference.

4. According to testimony before the committee, a decision—it is generally concluded—had been made to blow up the conference before Khrushchev went to Paris.

5. The Soviet Premier is experiencing rising pressures at home; as well as greater competition from the Red Chinese, for ideological leadership of the Communist world.

Following the breakup of the Paris meeting, the Western Powers closed ranks, demonstrating a greater degree of dignity, unity, and dedication to opposing communism.

The challenge now is to strengthen free world efforts to cope effectively with the seemingly tougher line emerging from Moscow; as well with the voices emerging more strongly from Peiping, the citadel of communism in the Far East.

AUTHORIZATION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON PROCUREMENT STUDY AFTER ADJOURNMENT

Mr. THURMOND. Mr. President, Public Law 86–89 requires that the Committee on Armed Services submit a report to the Senate not later than September 30, 1960, on the results of a study of the procurement policies and practices of the Department of Defense and the three military departments.

Since it seems clear that the Senate will adjourn in the not too distant future, I ask unanimous consent that this report may be filed and printed after adjournment.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3117) to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage.

The message also announced that the House had passed the following bills and joint resolution of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1502. An act to provide for adjustments in the annuities under the Foreign Service retirement and disability system;

S. 1886. An act to amend the Communications Act of 1934 with respect to certain rebroadcasting activities;

S. 1965. An act to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies;

S. 2197. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances under which such additives may be safely used;

S. 2669. An act to extend the period of exemption from inspection under the provisions of section 4426 of the Revised Statutes granted certain small vessels carrying freight to and from places on the inland waters of southeastern Alaska;

S. 3487. An act to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts;

S. 3545. An act to amend section 4 of the act of January 21, 1929 (48 U.S.C. 354a(c)), and for other purposes; and

S.J. Res. 41. Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 1283. An act to regulate the interstate distribution and sale of packages of hazardous substances intended or suitable for household use;

S. 1509. An act to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes; and

S. 2857. An act to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 8186) to amend titles 10 and 14, United States Code, with respect to reserve commissioned officers of the Armed Forces.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8226) to add certain lands to Castillo de San Marcos National Monument in the State of Florida.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9322) to make permanent the existing suspension of duties on certain coarse wool.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9862) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9881) to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7990) to convey certain land of the United States in trust to the Citizen Band of Potawatomi Indians of Oklahoma; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. HALEY, Mr. EDMONDSON, Mr. SAYLOR, and Mr. BERRY were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 10455) to amend the Mineral Leasing Act of February 25, 1920; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. ROGERS of Texas, Mr. MORRIS of New Mexico, Mr. SAYLOR, and Mr. WHARTON were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. YATES, Mr. CANNON, Mr. OSTERTAG, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 808. An act to authorize the Secretary of State to evaluate in dollars certain financial assistance loans expressed in foreign currencies arising as a result of World War II, and for other purposes;

H.R. 1970. An act relating to the retired pay of certain retired officers of the Armed Forces;

H.R. 2367. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 3900. An act to permit the admission to registry and the use in the coastwise trade of certain foreign-built hydrofoil vessels;

H.R. 4390. An act for the relief of certain persons involved in the negotiation of forged or fraudulent Government checks issued at Parks Air Force Base, Calif.;

H.R. 5436. An act to provide for a register in the Department of Commerce in which shall be listed the names of certain persons who have had their motor vehicle operator's licenses revoked;

H.R. 6721. An act to validate the conveyance of certain land in the State of California by the Central Pacific Railway Co. and the Southern Pacific Co.;

H.R. 6871. An act to amend title III of the Public Health Service Act, to authorize project grants for graduate training public health, and for other purposes;

H.R. 7209. An act to accord certain naturalization privileges to veterans of the Korean hostilities;

H.R. 7593. An act to provide that the Civil Aeronautics Board may temporarily authorize certain air carriers to engage in supplemental air transportation, and for other purposes;

H.R. 7810. An act to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act of 1951;

H.R. 8424. An act to amend section 505 of the Classification Act of 1949 with respect to positions in the Library of Congress;

H.R. 10511. An act to grant an additional benefit to persons receiving cash relief under the Panama Canal Cash Relief Act of July 8, 1937;

H.R. 10598. An act to clarify certain provisions of the Criminal Code relating to the importation or shipment of injurious mammals, birds, amphibians, fish, and reptiles (18 U.S.C. 42(a), 42(b)); and relating to the transportation or receipt of wild mammals or birds taken in violation of State, national, or foreign laws (18 U.S.C. 43), and for other purposes;

H.R. 11499. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes;

H.R. 11813. An act to amend the Menominee Termination Act;

H.R. 12265. An act to amend title 10, United States Code, to authorize certain persons to administer oaths and to perform notarial acts for persons serving with, employed by, or accompanying the Armed Forces outside the United States;

H.R. 12313. An act to increase the pay of certain permanent professors at the U.S. Military Academy and the U.S. Air Force Academy;

H.R. 12346. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury;

H.R. 12415. An act to amend section 6387 (b) of title 10, United States Code, relating to the definition of total commissioned service of certain officers of the naval service;

H.R. 12530. An act to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the John H. Kerr Reservoir, Va.-N.C.;

H.R. 12532. An act to provide compensation for certain property losses in the Tuttle Creek Reservoir project, Kansas;

H.R. 12533. An act to amend the Migratory Bird Treaty Act to increase the penalties for violation of that act, and for other purposes;

H.R. 12564. An act to authorize multiple-purpose development at Victory Reservoir site, Vermont;

H.R. 12570. An act to amend section 303(c) of the Career Compensation Act of 1949 by imposing certain limitations on the transportation of household effects;

H.R. 12572. An act to amend the Armed Services Procurement Act of 1947;

H.J. Res. 311. Joint resolution authorizing the erection of a statue of Taras Shevchenko on public grounds in the District of Columbia; and

H.J. Res. 658. Joint resolution to authorize and request the President to issue a proclamation in connection with the centennial of the birth of Jane Addams, founder and leader of Chicago's Hull House.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 808. An act to authorize the Secretary of State to evaluate in dollars certain financial assistance loans expressed in foreign currencies arising as a result of World War II, and for other purposes; to the Committee on Foreign Relations.

H.R. 1970. An act relating to the retired pay of certain retired officers of the Armed Forces;

H.R. 2367. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 12313. An act to increase the pay of certain permanent professors at the U.S. Military Academy and the U.S. Air Force Academy;

H.R. 12570. An act to amend section 303(c) of the Career Compensation Act of 1949 by imposing certain limitations on the transportation of household effects; and

H.R. 12572. An act to amend the Armed Services Procurement Act of 1947; to the Committee on Armed Services.

H.R. 3900. An act to permit the admission to registry and the use in the coastwise trade of certain foreign-built hydrofoil vessels;

H.R. 5436. An act to provide for a register in the Department of Commerce in which shall be listed the names of certain persons who have had their motor vehicle operator's licenses revoked;

H.R. 10511. An act to grant an additional benefit to persons receiving cash relief under the Panama Canal Cash Relief Act of July 8, 1937; and

H.R. 12533. An act to amend the Migratory Bird Treaty Act to increase the penalties for violation of that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4390. An act for the relief of certain persons involved in the negotiation of forged or fraudulent Government checks issued at Parks Air Force Base, Calif.;

H.R. 7209. An act to accord certain naturalization privileges to veterans of the Korean hostilities;

H.R. 10598. An act to clarify certain provisions of the Criminal Code relating to the importation or shipment of injurious mammals, birds, amphibians, fish, and reptiles (18 U.S.C. 42(a), 42(b)); and relating to the transportation or receipt of wild mammals or birds taken in violation of State, national, or foreign laws (18 U.S.C. 43), and for other purposes; and

H.J. Res. 658. Joint resolution to authorize and request the President to issue a proclamation in connection with the centennial of the birth of Jane Addams, founder and leader of Chicago's Hull House; to the Committee on the Judiciary.

H.R. 6721. An act to validate the conveyance of certain land in the State of California by the Central Pacific Railway Co. and the Southern Pacific Co.; and

H.R. 11813. An act to amend the Menominee Termination Act; to the Committee on Interior and Insular Affairs.

H.R. 6871. An act to amend title III of the Public Health Service Act, to authorize project grants for graduate training public health, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 7810. An act to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act of 1951; and

H.R. 8424. An act to amend section 505 of the Classification Act of 1949 with respect to positions in the Library of Congress; to the Committee on Post Office and Civil Service.

H.R. 11499. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes; to the Committee on Government Operations.

H.R. 12265. An act to amend title 10, United States Code, to authorize certain persons to administer oaths and to perform notarial acts for persons serving with, employed by, or accompanying the Armed Forces outside the United States;

H.R. 12346. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; and

H.R. 12415. An act to amend section 6387 (b) of title 10, United States Code, relating to the definition of total commissioned service of certain officers of the naval service; placed on the calendar.

H.R. 12530. An act to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the John H. Kerr Reservoir, Va.-N.C.;

H.R. 12532. An act to provide compensation for certain property losses in the Tuttle Creek Reservoir project, Kansas; and

H.R. 12564. An act to authorize multiple-purpose development at Victory Reservoir site, Vermont; to the Committee on Public Works.

H.J. Res. 311. Joint resolution authorizing the erection of a statue of Taras Shevchenko on public grounds in the District of Columbia; to the Committee on Rules and Administration.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts of address by him, delivered over Wisconsin radio stations, relating to conservation of natural resources.

Article entitled "Forging a Nation's Will—Via the Ballot Box," written by him, published in the Wisconsin Telephone News.

By Mr. SALTONSTALL:

Address delivered by Hon. CHESTER BOWLES, at the commencement exercises at Smith College, Northampton, Mass., June 5, 1960.

DISPOSAL OF AGRICULTURAL COMMODITIES UNDER PRESENT ADMINISTRATION

Mr. DIRKSEN. Mr. President, it is encouraging to note that the Eisenhower-Benson administration has never faltered in its aggressive policy of trying to keep down our tremendous surpluses by enterprising programs of sale and promotion.

In fact, the latest word is that since 1953, this administration has set a recordbreaking pace of disposing of more than $20 billion worth of agricultural commodities from Commodity Credit Corporation stocks.

Think how much greater the damage would have been from these old, wornout farm programs we inherited had we not embarked on greater sales effort, more widespread donations to the needy, and the imaginative food for peace program that incorporates the Public Law 480 sales for foreign currencies.

The recent agreement with India for disposing of large quantities of surplus wheat and rice to that country in the next 4 years has won justified praise. But it should never be considered as an answer to the very real and basic problem of obsolete farm legislation that keeps building up unneeded and unwanted surpluses of some crops.

In connection with these observations, Mr. President, I ask unanimous consent

to have printed in the RECORD an editorial from the Chicago Sun Times entitled, "Seventeen Million Tons of Food for Peace."

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

SEVENTEEN MILLION TONS OF FOOD FOR PEACE

It never has made sense that great surpluses of food should be piled up in warehouses in the United States while millions were undernourished in countries such as India. It is good and important news, therefore, that the United States intends to send a substantial part of its surplus to India, relieving for the first time in centuries, the threat of famine there.

Forty percent of the rupees the Indians will pay for wheat and rice will be returned to India in the form of outright grants, another 40 percent will be loaned back and the rest will be spent in India for official American uses such as embassy expenses.

A shipload a day over the next 4 years will deliver 587 million bushels of wheat and 22 million bags of rice. By 1964 India will have stored up a million tons each of rice and wheat as a reserve that can be rushed to people when shortages strike. It is far better to store food in India, where it is needed, than here, where it is not.

The benefits of this historic deal to India are obvious. What are the benefits to the United States? It shows America's true nature to the world compared with Russia's. It benefits the United States by helping reduce the glut of grain that jams our warehouses. Storage costs for the wheat that will go to India alone would run $80 million a year.

America's surplus of rice should be wiped out by the deal and this should restore the law of supply and demand in that field. But at the rate surplus wheat has been accumulating the shipments will only serve to keep the inventory down to its present level which presently is more than double the amount going to India. The Indian deal is an encouraging start in the right direction, but America's surplus food will remain a deadweight on the economy until Congress faces reality and begins in earnest to hoe the long hard row back to the law of supply and demand.

LIQUIDATION OF EAST GERMAN FARMING CLASS

Mr. DIRKSEN. Mr. President, yesterday, while going through a quantity of material, I had occasion to examine the NATO newsletter for June 1960, which carried an article entitled "Liquidation of East German Farming Class." The article is written by Franz Thedieck, State Secretary in the Federal Ministry for All-German Affairs. It is quite an account of what has happened to the farmer in East Germany, the gradual liquidation of agricultural freedom and of the free farmer. I think it is so timely that it deserves wider currency, so I ask unanimous consent to have it printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIQUIDATION OF EAST GERMAN FARMING CLASS

(By Franz Thedieck, State Secretary in the Federal Ministry for All-German Affairs)

What has been happening in recent weeks and months to agriculture in the Soviet-occupied zone of Germany rightly gives rise to profound concern among people in the Federal Republic of Germany and, to an increasing degree, also in the other countries of the free world. In order to understand what is happening it may be useful to recall agrarian developments in the Communist-ruled part of Germany between 1945 and today.

It started in 1945–46 with the so-called democratic land reform, which was a political rather than an economic measure as regards both the underlying idea and its implementation. It goes without saying that, consistent with well-tried Soviet tactics, that reform was proclaimed a voluntary land reform movement of the poor and landless farmer. It was carried out under the slogan of free farmers on free land. Its real objective was the liquidation of the last free men in the country, that is to say the liquidation of the so-called capitalist farmers and the proletarization of the rural population as a prerequisite to, and point of departure for, eventual collectivization.

UNFIT FOR FARMING

This was plainly shown by the way the farmland was redistributed. About 57 percent of the expropriated land was given to applicants who had never had any connection with farming before or who were incapable on other grounds of managing a farm. This high percentage of expropriated land allotted to persons unfit for farming plainly shows that the Communist reformers were chiefly interested in infiltrating the villages with people more amenable to communism than were the indigenous farmers firmly rooted in their soil. It was obvious that the new settlers established on holdings only 8 hectares large on the average, could never become really free or independent farmers, but were from the beginning dependent on government aid, a fact which made them mere human material in the hands of the Communist planners working toward collectivization along Bolshevist lines.

A STEP BACKWARD

Thus, the so-called land reform was a political move, ruthlessly and skillfully carried out from an ulterior motive which even many German Communists failed to recognize at the time. It is known, however, that the then president of the zonal office for agriculture and forestry, Herr Hörnle, a Communist trained in the Soviet Union, stated confidentially even then in official circles: This land reform is, of course, not a step forward, for reducing horse farmers to cow farmers and cow farmers to goat farmers is not a step forward but a step backward. This step is, however, necessary and imperative, considering the mentality of the German farmer, if we are to arrive at our final objective, namely, the kolkhoze. One should always keep in mind that in examining or judging Soviet measures it is not sufficient to consider their immediate effects. Measures with adverse effects are often applied deliberately for a transitional period by the Communist Party out of tactical considerations for the sake of a quite different final goal which is pursued, even though it be by detours incomprehensible to Western observers, with adamant consistency; namely, the creation of living conditions which will automatically enable politicians to transform persons into pliant tools within the proletarian society.

It was likewise clearly discernible from the beginning of the so-called land reform that the liquidation of all the then existing farmers' organizations as well as of their economic and scientific institutions, and the foundation of new ones, only served the aim of preparing for the collectivization of agriculture in the Soviet Zone of Germany. During the years from 1945 to 1952, this objective was vigorously denied and camouflaged. Then, after a preparatory propaganda campaign by the press of the Soviet Zone, a few so-called farmers at the 1952 Party Congress of the (Communist) Socialist Unity Party solemnly and voluntarily proposed a resolution calling for the collectivization of agriculture in the Soviet Zone of Germany, a resolution which had been drafted in Moscow and duly approved in East Berlin. It was adopted, unanimously, of course, and a few weeks later an implementing resolution by the Council of Ministers of the Soviet Zone of Germany gave official sanction to the new policy of collectivization.

DANGEROUS "GIFTS"

The first stage of the action planned since 1945 had thus been completed in accordance with the usual Communist method: collectivization had not been decreed from above involving compulsion, but the farmers themselves had asked for it and the Government, of course, had to comply with their demand; land reform had originally been given to them, farmers' mutual aid had been given to them, machine and tractor stations had been given to them, and now, when notwithstanding all this they asked for collectivization, the Government would comply again and give them kolkhozes.

This short review of developments between 1945 and 1952 shows how consistently the legislative stage of collectivization was prepared and completed. The road led from expropriation and redistribution to the proletarization of the rural population, from the liquidation of the farmers' own organizations and institutions to the setting up of new agricultural institutions on the Soviet model, and from independent and free farmers to a farming population depending on government aid and, therefore, forced to submit to government policies.

MASSIVE TERROR

The first step toward the practical implementation of the 1952 resolutions, taken in 1953, nevertheless proved a failure because too many farmers responded to the first collectivization campaign by fleeing into the Federal Republic of Germany. While 5,312 farmers fled in 1952, the number of escapees rose to 14,564 in 1953. This fact, together with Stalin's death in 1953, the temporary softening of Stalinism, the uprising throughout the Soviet Zone of Germany on June 17, 1953, the struggle for power in 1954 within the Kremlin, and the internal thaw of 1956 and 1957 following the 20th congress of the Communist Party of the Soviet Union, led to a mitigation between 1953 and 1957 of the policy of collectivization. By the end of 1957 only 25.2 percent of the total farm and forest area in the Soviet Zone of Germany had been turned into kolkhozes. With the reestablishment of Stalinism in the German Soviet Zone, however, collectivization rapidly increased: by the end of 1959, 45.1 percent of the agricultural farm and forest area had been transformed into kolkhozes, and the proportion rose to over 60 percent between January and the middle of March 1960.

The recent steep rise of this curve was obtained by the Socialist Unity Party through indescribable terror applied to farmers. Hundreds of party functionaries occupied village after village and affronted every farmer incessantly until he "voluntarily" joined the kolkhoze. Recalcitrants were jailed, threatened, and branded as enemies of the state; their water and current were turned off; their orders for seed and fertilizer were "lost." The scale of pressure extended from incessant argumentation to brute violence.

Tears, fear, dejection, and despair are the bitter fruits of Ulbricht's agricultural policy. The area of over 60 percent of farm

and forest in the Soviet Zone of Germany managed today as kolkhozes is not the result of an agricultural policy guided by considerations of technology or productivity, but the result of terror directed to the annihilation of the last traces of independence and freedom among the rural population.

THE AREA REDEVELOPMENT BILL

Mr. DIRKSEN. Mr. President, a letter over the signature of the Secretary of Commerce, Frederick H. Mueller, and the Secretary of Labor, James P. Mitchell, was addressed to the Honorable Brent Spence, chairman of the Committee on Banking and Currency of the House of Representatives, on June 23, 1960, expressing concern over the possibility that this session of Congress may close without action upon a revised area redevelopment bill as requested by the President in his message to Congress. I believe this letter will be of interest not only to all Senators but also to all areas in the country where this is a problem, and for that reason I ask unanimous consent that it be included in the body of the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SPENCE: We are deeply concerned, as this session of Congress draws to a close, that no action has yet been taken to pass a revised area redevelopment bill, as the President requested in his message to the Congress. There has been general agreement in the Congress and in the administration on the importance of giving financial aid and technical assistance to areas of substantial and persistent labor surplus. With such general agreement on the needs of these areas, we want to urge that action be taken in the present Congress to pass H.R. 12286, which the administration has proposed and which the President has indicated that he favors.

It is most important that legislation be enacted to alleviate persistent unemployment in those localities where outside financial and technical assistance, such as the Federal Government could provide, would give an important stimulus to local efforts to solve this problem. H.R. 12286 provides an effective program to achieve the mutual objectives of the administration and the Congress. It is more selective with reference to the eligibility of areas, and provides somewhat smaller amounts of funds than were proposed in the bill which was passed by the Congress, but these differences are not so great that they should stand in the way of enactment of this legislation.

Passage of a bill in this session would make possible planning and technical assistance and immediate financial aid through loans to those areas which have acceptable area redevelopment plans. We are all agreed that it will take some time to get such programs into effective action, and therefore, it is important to make a start as soon as possible. If, in the years ahead, it proves advisable to modify or extend this legislation, the Congress can readily do so.

There have been extensive hearings and debate in the Congress on this legislation, and it should therefore not require further hearings or extended discussion if this measure were to be brought up for consideration.

We are aware of the press of business toward the close of the session; nonetheless, we believe that if your committee were to report this bill, a favorable reception in both Houses of Congress could be anticipated.

We sincerely hope that you will give this suggestion your earnest consideration.

Sincerely yours,

FREDERICK H. MUELLER,
Secretary of Commerce.
JAMES P. MITCHELL,
Secretary of Labor.

CORRECTION OF THE RECORD

Mr. WILEY. Mr. President, recently I was privileged to refer to a splendid article published in the Milwaukee Journal by Victor Gruen, entitled "What's Happening to Our Cities." The article was a reprint from U.S. News & World Report, but regrettably there was an omission of reference to the original publisher.

At this time, I request unanimous consent to have the RECORD corrected to give proper credit to this splendid publication.

The PRESIDING OFICER. The correction will be made, as indicated.

NEEDED: EXTENSION OF LIBRARY SERVICES ACT

Mr. WILEY. Mr. President, the national library services program, enacted by Congress in 1956, has made a significant contribution to providing better library services for the country.

The accomplishments of the expanded program include:

Extension of the advantages of new or improved library services to 30 million rural people;

The making available of approximately 200 new bookmobiles to rural routes, bringing enlightenment and information to people in remote areas; and

Under this program, plans have been made for over 200 separate project activities, to extend and develop rural library services.

However, as we recognize, there is still a good deal of work to be done. For example:

Twenty-five million people in rural areas in 1959 still were without any public library service;

Twenty-two million more still have had no opportunity to benefit directly by cooperative local-State-Federal library development projects;

Two hundred and fifty-three counties still have no public library service within their borders.

On May 26, 1960, the Senate passed legislation for a 5-year extension of this meritorious program. Unfortunately, it is now bottled up in the Rules Committee of the House of Representatives. Recognizing the need for carrying forward this program, I have urged the Rules Committee to reconsider its recent action denying a rule for, and thus consideration of, the bill, H.R. 12125, by the House of Representatives.

In our fast-changing complex age, education for our citizens does not end with completion of formal schooling. Instead, we face the challenging task of attempting to keep up to date on rapidly evolving events at local, State, national, and international levels. Across the country, our libraries are making a splendid contribution to a better informed citizenry. Although the present law does not expire until June 30, 1961, the local communities, cooperating in the program, can best plan and operate on a longer range, not a short-range basis, to better serve the public.

The extension of the Library Service Act, on a long-range basis, I believe would continue to provide a real impetus to State and local efforts for further improving the library system for the country.

At this time, I request unanimous consent to have printed following my remarks letters from individuals in Wisconsin, stressing the need for carrying forward this program beyond the expiration date of 1961.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DWIGHT PARKER LIBRARY BOARD,
Fennimore, Wis., June 16, 1960.

The Honorable ALEXANDER WILEY,
Senate Chamber,
Washington, D.C.

DEAR MR. WILEY: The members of our Dwight Parker Library Board of Fennimore are concerned about the extension of the Library Services Act (H.R. 12125).

The Library Processing Center which serves 21 public libraries, of which we are one of the libraries, spreads over five counties—Crawford, Grant, Lafayette, Iowa, and Richland—in the Third District. This center was established with funds available to Wisconsin under the Library Services Act. It has been functioning for 1½ years and has proved so successful and so important a service to our libraries in this area, which is not adequately served by libraries. If the Federal funds were to be withdrawn, all that has been accomplished might be lost, as we do not have time to develop plans for local financial support.

As members of the Dwight Parker Library Board we want to urge your support of the extension of this Library Services Act beyond its present date of expiration, June 30, 1961. Thank you.

Mrs. BERT B. POWERS.
President of the Board.

OFFICE OF SUPERINTENDENT
OF BAYFIELD COUNTY SCHOOLS,
Washburn, Wis., June 14, 1960.

Senator ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SIR: It is with a great deal of regret that it has come to my attention that the House of Representatives bill to extend the Federal Library Services Act from July 1, 1961, to June 30, 1966, is lodged in the Rules Committee and there seems to exist serious doubt if it will come up for a vote.

I am very sure that your constituents in northern Wisconsin and especially in the area of the four-county library project would greatly appreciate anything you could do to urge a rule on this bill.

Thanking you for this consideration and for all past favors.

Very sincerely,

JOHN W. HOWELL,
Superintendent.

OFFICE OF COUNTY CLERK
OF IRON COUNTY,
Hurley, Wis., June 17, 1960.

Hon. ALEXANDER WILEY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR MR. WILEY: At an adjourned annual meeting of the Iron County Board of Supervisors held June 10, 1960, a motion was made, seconded, and carried that the clerk write to Senators WILLIAM PROXMIRE and ALEXANDER WILEY and Congressman ALVIN E. O'KONSKI requesting their support on the bill to extend the Federal Library Services Act.

I have been informed by Ione A. Nelson, coordinator of field services, Wisconsin Free Library Commission, Field Services Division, that the House of Representatives bill to extend the Federal Library Services Act is lodged in the Rules Committee at this time and there is serious doubt if it will come up for vote. I know that there is no Wisconsin Representative on the House Rules Committee, but perhaps you can get through to that committee to urge a rule on the bill.

A four-county library project sponsored jointly by Price, Ashland, Bayfield, and Iron Counties was organized here last August, and a bookmobile began a tour of rural areas in the four counties on a regular schedule on October 21, 1959.

The project has been very successful, and the extension of the Library Services Act is very important to the four-county library project.

Would appreciate any assistance that you can give us on this matter.

Very truly yours,

EINO S. NEVALA,
Iron County Clerk.

PUBLIC SUPPORT FOR FEDERAL TRADE COMMISSION'S CONTINUED VIGILANCE

Mr. WILEY. Mr. President, in election years, it is always fashionable for partisan politicians to make critical assaults on the outgoing administration.

The press, always looking for headlines, is usually much too willing to provide widespread publicity to such charges—quite often baseless—against governmental agencies and the many hundreds of thousands of loyal public servants staffing them.

It is important, however, that in this heat of political passion, we do not forget the dedication and loyalty of our career public servant. Let us remember the importance of the work he is doing. Let us remember that the political health of the Nation depends as much on the caliber of its public servant as on any other political tool we possess.

It is, therefore, a special pleasure for me to present in the CONGRESSIONAL RECORD today a statement from Florian W. Harvat, president of the National Hairdressers & Cosmetologists Association, Inc., and a resident of Fond du Lac, Wis., expressing his association's support for the important work the Federal Trade Commission is carrying out.

A letter from the National Hairdressers & Cosmetologists Association addressed to me and dated June 22, reads as follows:

DEAR SENATOR WILEY: At the request of the association representing more than 60,000 cosmetologists in nearly 40,000 beauty salons of the country, I am sending to you herewith a copy of the June issue of the National Hairdressers & Cosmetologists Association Bulletin containing an article by the national president, Mr. Florian W. Harvat, 19 Sheboygan Street, Fond du Lac, Wis.

This article is about the Federal Trade Commission in relation to the investigation of fake and misleading advertising claims of beauty products over the air and in the press.

It notes that FTC has a problem in this serious situation and asks that Congress assist the Commission by furnishing a larger staff to investigate the many complaints of the public.

It is our hope that you could insert this important message in the CONGRESSIONAL RECORD.

NATHAN E. JACOBS.

The support that more than 60,000 cosmetologists in nearly 40,000 beauty salons all over the country are expressing for the Federal Trade Commission is certainly a true indication of the public concern and awareness of the operations of our Government. The statement by Florian W. Harvat, which appears in the June issue of the association bulletin, is as follows:

FTC NEEDS OUR SUPPORT FOR CONTINUED VIGILANCE

For the past several years, the Federal Trade Commission has been receiving more and more protests from individuals, business organizations, and such professional associations as ours, against false and misleading advertising claims that are assailing the public via television, radio, and in newsprint.

With public opinion so overwhelmingly directed against this common evil, we sincerely hope that Congress will provide the relatively small amount of money that is necessary to provide FTC with the much-needed manpower to make its task more beneficial to the American public. A larger appropriation is needed.

The National Hairdressers & Cosmetologists Association has made many complaints to FTC against false and misleading advertising. Many of these complaints have had to gather dust in the heavily ladened files of FTC, not by desire nor discrimination, but simply because of lack of funds to thoroughly investigate, fairly judge, and stop evil, false and misleading abuses of some firms which have assumed a privilege to deceive the American public.

Fortunately, some of our complaints have received the cooperation and assistance of FTC in the gathering of all of the necessary evidence to process them and arrive at a conclusion. However, the responsibility of proof is now on Mr. and Mrs. Consumer, on you and on me, not because FTC personnel does not desire to be helpful, but because there is not sufficient personnel, nor necessary funds for such operation.

Nevertheless, NHCA will continue its program of viligance to protect the profession of cosmetology, its members and the American public, and we sincerely hope that Congress will respond to the public need for a well staffed and supplied Federal Trade Commission.

FLORIAN W. HARVAT,
President, NHCA.

THE GROWTH OF THE AMERICAN ECONOMY

Mr. PROXMIRE. Mr. President, there has been a great deal of talk lately about the growth or the lack of growth in the American economy.

There are some of us who feel that we face a tremendous challenge and danger in the rapid fire economic development of tyrannical Communist economies, particularly of Red China and of Russia. We are concerned, because we know that America is a bastion of freedom in part because we have enjoyed an incomparably productive economic system which provides the muscle and sinew of modern war and defense—the planes, the tanks, the missiles, the submarines, and the scientific know-how.

Mr. President, this is only part of our concern. We are also worried about the fact that in virtually every free country of the world growth has also been far more rapid than it has been in our own country.

Recently a group of top American business leaders predicted that our growth would slow down in the next 10 years.

Mr. President, this morning's Wall Street Journal seems to take both sides of the issue in different sections of the paper. Mr. George Shea, in his splendid front-page column, expresses and documents the way which many Americans feel about our failure to keep pace in growth with the rest of the free world.

Mr. Shea says:

While Russia shouts its slogan of catching up with America, a good many other countries are seeking likewise to do it, at least on a per capita basis, without shouting about it.

Industrial production indexes tell the story. Our own output is around 122 percent of the 1953 level. But Great Britain and Sweden this year are above 130 percent, Norway is at 146, Holland at 142, Germany and Italy close to 170, France above 170, and Japan well above 200. The latest Russian figure, for all of 1959, is 191.

He also says:

It also means, of course, that the question of whether the United States enjoys a growth trend as rapid as desirable shouldn't be expressed merely in terms of the so-called "Russian challenge." What we want to know is whether, in the industrial race, we are likely to fall behind not just Russia but many other nations. Have we lost our drive, and must we look forward to a world which pulls steadily ahead of us?

On the editorial page of today's Wall Street Journal, on the other hand, there is the contrary opinion as to whether we are suffering any growth lag. Almost no documentation is offered that we are not, but the implication is that if we are it is no business of the Government. This is a strange view, in light of the fact that the Government is the way, in a free democracy, in which our people can work together to solve their problems. The growth of our economy certainly is one of our most vital problems.

SENIOR CITIZENS FACED BY RISING MEDICAL COSTS AND PITIFULLY LOW INCOME SUFFER DEADLY SQUEEZE

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a letter from Wisconsin poignantly presenting the urgent need for congressional action on insurance for health care for our senior citizens, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

I am writing you in regard to the Forand bill as I believe it would be good for the people on social security when sickness strikes them. We have had our share the last 6 months as my wife has been under doctor's care and the medicine costs at the least $15 a week and the doctor's calls $6 a call.

I have Blue Cross and Blue Shield but that is not much help as you only have 31 days in the hospital and then you pay 20 percent of the first $300. It costs me $49.95 every 3 months.

I know of others who have no insurance and the doctors and the hospitals want to see the money before they will do anything for them as they will not take any chance of not being paid.

Yours truly,

———— ————.

THE FORTHCOMING TARIFF NEGOTIATIONS

Mr. BUSH. Mr. President, Senate Concurrent Resolution 110, which I have submitted, would express the sense of Congress concerning positions to be taken by representatives of the United States in the forthcoming tariff negotiations at the GATT Conference in Geneva, which will open in September.

The resolution would urge our negotiators to:

First, put into effect President Eisenhower's recommendation to withhold reductions in tariffs on products made by workers receiving wages which are substandard in the exporting country.

Second, consider wage differentials, as between foreign and domestic producers, in order to protect American labor and industry against damaging concessions.

Third, work for the development of fair labor standards in the interests of fair competition in international trade.

Mr. President, I ask unanimous consent that the text of my resolution may be printed in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the preservation of existing jobs in American industry is vital to the national economy, and the expanding population of the United States requires the constant creation of new employment opportunities;

Whereas the general levels of wages paid to industrial workers in foreign countries are substantially below levels prevailing in the United States, thus increasing the competitive standing of foreign producers in international trade;

Whereas foreign labor unions generally have weaker bargaining powers than those of this country, which makes closing of the wage cost differential between foreign and domestic producers a difficult and slow process;

Whereas the Eighty-fifth Congress passed the Trade Agreements Extension Act in August 1958, authorizing the President within the four-year period ending June 30, 1962, to reduce existing customs duties in stages by any one of three alternative methods as follows:

1. Reducing the rate existing on July 1, 1958, by not more than 20 per centum, provided that no more than a 10 per centum reduction may be made effective in any one year;

2. Reducing the rate existing on July 1, 1958, by not more than 2 per centum ad valorem (or the ad valorem equivalent, in the case of a specific rate or a combination of ad valorem and specific rates), provided that no more than a 1 per centum reduction may be made effective in any one year.

3. Reducing to 50 per centum ad valorem or its equivalent a rate which is in excess of that level, provided that no more than one-third of the total reduction may be made effective in any one year;

Whereas an international conference held under the auspices of the General Agreement on Tariffs and Trade will be convened in Geneva, Switzerland, in September 1960, and continue into 1961;

Whereas the Interdepartmental Trade Agreements Organization, consisting of the Departments of State, Treasury, Defense, Agriculture, Commerce, Labor, and Interior, the United States Tariff Commission, and the International Cooperation Administration, has published a Notice of United States Intention To Negotiate and a List of Products To Be Considered for Possible United States Concession, subject to modications following a "peril point" investigation by the United States Tariff Commission; and

Whereas the President has recommended that the United States "withhold reductions in tariffs on products made by workers receiving wages which are substandard in the exporting country" and that the United States seek to raise labor standards in foreign countries "through consultative procedures and cooperation in international conferences such as those sponsored by the International Labor Organization": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the representatives of the United States to the forthcoming tariff negotiations under the auspices of the General Agreement on Tariffs and Trade must not only put into effect the President's recommendation to withhold reductions in tariffs on products made by workers receiving wages which are substandard in the exporting country, but should also consider wage differentials, in order to protect American labor and industry, and work for the development of fair labor standards in exporting countries in the interests of fair competition in international trade.

Mr. BUSH. Mr. President, the competitive problem created by differentials between the low wages prevailing in foreign countries and the high wage levels in the United States is becoming increasingly acute.

One of the industries adversely affected by the increase in imports arising from the competitive price advantage enjoyed by foreign producers as a result of low wages they pay is the great brass-producing industry, which is largely centered in my own State.

The problems faced by this industry were described by Theodore E. Veltfort, managing director of the Copper & Brass Research Association, in testimony last week before the Senate Small Business Committee. The information he presented should be useful to the Senate Committee on Finance, to whom my resolution was referred. Although it is late in the session, I hope that the Finance Committee will proceed promptly to consideration of the resolution and report it to the floor so that Congress may act before we adjourn.

Mr. President, I ask unanimous consent that a statement regarding this problem, and the appendixes thereto, may be printed in the RECORD following these remarks.

There being no objection, the statement and appendixes were ordered to be printed in the RECORD, as follows:

IMPACT OF IMPORTS ON BRASS MILL INDUSTRY—STATEMENT FOR HEARINGS OF SENATE SMALL BUSINESS COMMITTEE, JUNE 16, 1960

This statement is made by Theodore E. Veltfort, managing director of the Copper & Brass Research Association. This is a trade association having for its members essentially all of the brass mills in this country. It should be emphasized that this statement applies to the brass mills only. Other segments of the copper industry may have quite different problems and their attitude toward the import situation may therefore also diverge from that given here.

The brass mills roll, draw, and form sheet, plate, strip, rod, shapes, wire, tube, and pipe of copper and its alloys. They do not produce the copper or other metals which they convert into mill products. Nor do they produce wire and cable for electrical transmission or foundry products. Appendix A, attached, lists the principal brass mills in the United States, giving their locations and the brass mill products which they make, and indicating those that are not members of this association.

While the industry is an important one, both in the peacetime economy and in the national defense, and investment in plant and equipment is high, it consists numerically mostly of relatively small companies. Seventy-five percent of the association members engage less than 500 production workers, and 50 percent less than 250 production workers.

The industry has ample capacity to serve all foreseeable domestic needs for many years to come. It is alert and progressive, as it must be to hold its own against the growing and aggressive competition from other materials such as aluminum, stainless steel, and plastics.

The industry is seriously threatened by steadily increasing imports of its products. The problem can be succinctly indicated by pointing out that instead of the average annual exports of 50 million pounds by the industry prior to World War II, the industry has to face 200 million pounds of imports today. Exports have dwindled to a mere 6 million pounds. This adverse change in the international trade situation of the brass mills means that the equivalent of more than 3,000 workers have been lost to the industry. Yet imports are rising continuously, irrespective of domestic business conditions. So far this year, imports are preempting about 12 percent of the domestic market. This is for brass mill products as a whole. For products for which a ready market has been built up in this country through the expenditure of many millions of dollars in research and promotion by the domestic mills and for standard products for which considerable labor is required, the proportion of the domestic market taken by imports is considerably higher. For brass tube it is more than 22 percent; for copper sheet over 18 percent; and for copper water tube which has been popularized in this country by the mills for economical plumbing and heating in the home, the proportion is known to be higher, although the Government makes no date available as to imports of this particular commodity.

Why has this happened? Principally because wages abroad are substantially lower than ours. They run from about one-third to one-fifth of ours in Western Europe and about one-tenth of ours in Japan. Coupled with these lower wages is increasing productive efficiency abroad to levels closely approaching our own. This is due in part to

the financial assistance given by our Government (that is, our taxpayers) to the rehabilitation, improvement and expansion of the foreign mills; in part to the free exchange of information between our mills and those abroad; and in no small part to the ingenuity and progressiveness of our competitors abroad.

The difference in the wage levels under these circumstances is most important. A very large part of the cost of producing brass mill products, exclusive of the cost of copper which tends to be equalized in the markets throughout the world, is directly affected by the wage level. Because the wage level tends to rise by percentage increments, but unit costs are determined by wages in cents per hour, the disparity between foreign labor costs and ours has tended to grow, since wage levels abroad were generally on a lower level than ours to begin with. This is confirmed by the UN Economics Commission for Europe which in its survey for 1959 found that labor costs of European manufacturers have steadily declined in relation to those of their U.S. competitors in the past 20 years. Thus, since 1937, hourly earnings in manufacturing have decreased relative to those in the United States by about 15 percent in France, 50 percent in Germany, 35 percent in Switzerland and 30 percent in Britain. In view of these data, it is quite significant that over 60 percent of brass mill imports come from Germany and Britain. It is also pertinent to note that the average value of brass mill imports for 1959 was 42 cents a pound against an average base price of about 47½ cents a pound for domestically produced brass mill products. Moreover, the domestic average price excludes all quantity, size and other extras, whereas a substantial part of the imports consisted of products to which such extras generally apply.

Added to all this has been the substantial reduction in the tariffs applicable to imports of brass mill products. Due to reduction of the specific duties affected by the various trade agreements and because of inflation, the equivalent ad valorem duty, as indicated by the available data on imports, has declined from an average of 48 percent in 1938 to 6 percent in 1959. This does not include the import excise tax of 1.7 cents a pound on the copper content of imports imposed since 1958, as the intent of this is to equalize domestic copper costs with those abroad; it merely removes a cost advantage for foreign mills besides that accruing from their lower labor costs.

And now, to make matters still worse, a number of brass mill products which in the past have not been imported in as great volume as the rest, appear on the list for consideration of further concessions in the coming GATT negotiations this fall. Apparently this action is aimed toward insuring that all brass mill products will be subjected to intense import competition.

This action is a serious threat to the integrity of the entire domestic brass mill industry. But it falls with a particularly heavy impact on the smaller mills. These generally make only one or two lines of products and would find it difficult to switch to another without substantial sacrifice, if at all. Nor can they move their operations abroad to take advantage of the lower labor rates there. Certainly they do not have the resources to meet for long the lower prices which the low labor costs abroad permit importers to charge. If their domestic competitors, through some special dispensation relieving them from the requirements of our labor laws, were permitted to pay their labor the low wages prevalent abroad, and charge correspondingly low prices, the situations would be so palpably unfair that drastic action would quickly ensue. But because the competitors are thousands of miles away in foreign lands, should a different set of standards apply?

Of course, we know that the Trade Agreements Act provides for relief where an industry is damaged or threatened by increasing imports. But apparently this has been interpreted to mean that an industry must be in really dire straits before relief is forthcoming and an enormous amount of effort and expense must be devoted to make a plea for aid effective even then. Is it really sound economics for our country, that the earnings of an industry, the seed grain on which its future integrity and effectiveness depends, must be in a precipitate decline before it is considered sufficiently hurt by low priced labor produced imports? So it appears from the record of the escape clause: 105 cases considered by the Tariff Commission; 32 cases sent to the President with recommendation for relief; and only 12 cases actually granted relief by the President.

What is the remedy? First of all, no industry whose products have already been subjected to substantial tariff reduction, whose products are being imported in steadily increasing quantities, due principally to much lower labor costs abroad, and whose capacity is ample to serve domestic need, should be subjected to further tariff reduction on any of its products in the coming GATT negotiations.

Second, for an industry which faces a serious threat from such imports and cannot meet this sort of competition without jeopardizing its financial integrity, an equalizing tax or charge should be imposed on imports to eliminate or at least reasonably reduce, the great advantages of foreign producers which result from labor costs which American labor standards make it impossible for the domestic producers to meet. Formulas could be worked out in connection with specific products which would reflect the relative real wages and the proportion which wages and wage related other costs are of the total price. Such a tax would have several desirable effects. It would go a long way toward easing the insuperable handicap which the domestic manufacturer has in trying to match his high labor rates with low wages abroad. Such a tax would decrease with relative increase in wages abroad, which should be an incentive for increases in foreign wages, and, if our philosophy is correct that high wages bring higher standards of living, it would certainly carry out one of the purposes of the Trade Agreements Act of 1934. Also, the tax proceeds from this procedure could be utilized to help our friends abroad to enter markets elsewhere than in our own country. Their relative low labor costs should give them an advantage in such markets.

Finally a realistic review of our entire international trade policy might be in order. Recently the Government, disturbed at our steadily deteriorating position in international payment balances, has been making an especial effort to increase our exports. This is quite right, but it should not be overlooked that the balance of payments results from a number of different kinds of transactions on both sides of the ledger. The reduction of imports, where that is justified, can also improve our position. Perhaps with all the financial assistance we are extending abroad, we just cannot afford any longer to import as much as we have been absorbing. In this connection, pertinent talks by outstanding experts at the annual meeting of our association in May 1960, copies of which are attached to appendix B, are quite significant.

Realistic treatment of the import problem as suggested would keep domestic unemployment from growing, avoid a runaway trend to establish plants abroad to the detriment of domestic investment, labor, and small business, and with resultant increase in payments abroad. It would also permit greater utilization of the growing spare manufacturing capacity here, so vital to small business. The many menacing aspects of this problem of destructively low priced imports can no longer be safely ignored.

APPENDIX A

Name, location, and products of principal brass mills in the United States

Name of company	Location	Products									
		Copper					Alloy				
		Sheet	Wire	Rod	Pipe and tube for plumbing	Tube, all other	Sheet	Wire	Rod	Pipe and tube for plumbing	Tube, all other
The American Brass Co.	Connecticut, Michigan, New York, and Wisconsin.	X	X	X	X	X	X	X	X	X	X
Ampco Metal Co.[1]	Wisconsin						X		X		
Bohn Aluminum & Brass Corp.	Michigan								X		
Bridgeport Brass Co.	Connecticut and Indiana	X	X	X	X	X	X	X	X	X	X
Bridgeport Rolling Mills Co.	Connecticut						X				
The Bristol Brass Corp.	Connecticut						X	X	X		
Chase Brass & Copper Co., Inc.	Connecticut and Ohio	X	X	X	X	X	X	X	X	X	X
Chicago Extruded Metals Co.	Illinois			X				X	X		X
Detroit Gasket & Manufacturing Co.[1]	Michigan								X		
Wilbur B. Driver Co.	New Jersey							X			
Electric Materials Co.[1]	Pennsylvania			X							
C. G. Hussey & Co.											
Division of Copper Range Co.	Pennsylvania	X		X							
Kensico Tube Co., Inc.	New York				X	X					
Lewin-Mathes Co.											
Division of Cerro de Pasco Corp.	Missouri				X	X			X	X	X
The Linderme Tube Co.	Ohio				X	X				X	X

See footnote at end of table.

Name, location, and products of principal brass mills in the United States—Continued

Name of company	Location	Products									
		Copper					Alloy				
		Sheet	Wire	Rod	Pipe and tube for plumbing	Tube, all other	Sheet	Wire	Rod	Pipe and tube for plumbing	Tube, all other
The Miller Co.	Connecticut						X				
Murdock Manufacturing Co., Inc.	New Jersey							X			
Mackenzie Walton Corp.											
Subsidiary of Reading Tube Corp.	Rhode Island					X					X
Mueller Brass Co.	Michigan				X	X			X		
The National Copper & Smelting Co.	Ohio				X	X				X	X
New England Brass Co.	Massachusetts						X				
The New Haven Copper Co.	Connecticut	X									
North American Copper Co.[1]	Delaware	X									
Olin Mathieson Chemical Corp.											
Western Brass Mills Division	Connecticut and Illinois	X					X				
Penn Brass & Copper Co.	Pennsylvania				X	X				X	X
Phelps Dodge Copper Products Corp.	California and New Jersey			X	X	X				X	X
The Plume & Atwood Manufacturing Co.	Connecticut						X	X			
Precision Tube Co., Inc.	Pennsylvania					X					X
Reading Tube Corp.	do				X					X	
Revere Copper & Brass, Inc.	California, Illinois, Maryland, Massachusetts, Michigan, and New York.	X	X	X	X	X	X	X	X	X	X
Riverside-Alloy Metal Division											
H. K. Porter Co., Inc.	New Jersey						X	X	X		
Scovill Manufacturing Co.	Connecticut		X	X	X	X	X	X	X	X	X
The Seymour Manufacturing Co.	do	X					X	X	X		
Small Tube Products, Inc.	Pennsylvania					X					X
Somers Brass Co., Inc.	Connecticut	X					X				
Stamford Rolling Mills Co.	do	X					X				
The Thinsheet Metals Co.	do	X					X				
Titan Metal Manufacturing Co.[1]	Pennsylvania								X		
Triangle Conduit & Cable Co., Inc.	New Jersey				X						
United Wire & Supply Corp.	Rhode Island				X	X		X		X	X
Viking Copper Tube Co.	Ohio					X					
Volco Brass & Copper Co.	New Jersey	X	X				X	X			
Waterbury Rolling Mills, Inc.	Connecticut						X				
A. H. Wells & Co., Inc.	do					X					X
Wolverine Tube Division of Calumet & Hecla, Inc.	Alabama and Michigan				X	X				X	X

[1] Nonmembers of the Copper & Brass Research Association.

APPENDIX B

A CHANGE OF ERAS

(By Elliott V. Bell, editor and publisher, Business Week)

We saw this poignantly illustrated in the late twenties and early thirties in the case of Great Britain. Sterling had been restored to gold at too high a level. It was under constant pressure in the foreign exchange market. Each time Britain tried to reflate in order to meet unemployment at home, she was faced with a run on sterling from abroad. Beyond that, it seemed as though each time there was an international conference or a difference of opinion among nations, there would be fresh withdrawals of gold from London, weakening and embarrassing the British Government.

Some Britons accused France of practicing financial frightfulness by deliberately withdrawing balances from London to put pressure on Britain. The French said: "Nonsense. It was simply that every time Britain pursued policies the French didn't like, French people naturally lost confidence in sterling and regretfully withdrew their money from London."

There can be no sentiment in the realm of international exchange. If our allies disagree with some of our policies, there will be distrust of the dollar. If foreign central banks and governments get the idea in their heads that the dollar is overvalued or that we are not going to take effective steps to deal with the longstanding deficit in our balance of payments, they will ask for gold, no matter how well disposed they may be.

There are those who would like to brush aside the dollar deficit as a matter of no importance or as just a temporary imbalance that will cure itself. It is feared that calling attention to this persistent large deficit may arouse a new wave of isolationism or protectionism—bring forth a new Smoot-Hawley tariff.

There is no retreat to isolation open to us in today's world. A reversion to high tariffs would rip apart our political alliances and mark a crushing defeat in the struggle between the free world and communism. Moreover, U.S. business has gone heavily international. International trade is in and of itself a powerful force for growth and efficiency. The answer to our problem will not be found in trying to shut our markets to foreign goods. Neither, in my opinion, will the whole answer be found, as the State Department and Commerce Department seem to hope, in a vast expansion of our exports.

Look at the figures. Even in 1959, when our overall deficit was $3.7 billion, we had a surplus on merchandise trade of over $1 billion. To overcome our current rate of deficit solely by increasing exports would require a merchandise trade surplus of more than $4.5 billion.

Given the present policies in the United States on the one hand and those of Western Europe and Japan on the other, it is most unlikely that this country can expand its export surplus in the next 2 or 3 years to any such startling extent.

Such a course, if successful, might only result in seriously disrupting the economies of Europe and Japan, creating new international problems as bad as the one it seeks to solve. Bear in mind that at this moment Europe is unwilling to spend all the dollars she is earning, preferring the money to the goods. The countries that need and want more American goods are the underdeveloped countries of Asia and Africa—and they do not have the money to buy.

The point is our adverse balance does not come from merchandise trade or from normal commercial transactions. It comes from the following, using the figures for 1959: Net military spending abroad, nearly $3 billion ($2.9 billion); Government grants (excluding military aid grants) $1.7 billion. Here is a total of nearly $5 billion of American money, spent or given away abroad.

Here is the source of our deficit and it is in these items that we will have to look for a prompt solution.

The time has come for some plain speaking. This problem has been developing for 10 years. It has been serious for 2 years. It is still serious. It will not go away by itself. It is real. It is urgent. If we temporize, delay, or neglect it, we shall do so to our great peril. If our friends abroad try to ignore or evade it, they will find that they too have done so to their peril.

There are, of course, certain steps we must take. The efforts now being made to stimulate our exports are good. To this end, we must make our people understand that keeping costs—including wage costs—in line with economic reality has now become a matter of national urgency. American prices must be kept competitive. Credit restraint and budgetary conservatism are no longer a matter of free choice—our creditors will insist upon them. If we are slack, they have the means to discipline us by pulling out gold.

When we have done all we must do in this respect, there still remains a stark choice—either we must have from our friends and allies in the free world the same sort of cooperation we have given them or we probably shall be forced to take drastic unilateral action to protect the dollar.

The United States is providing substantial sums for military aid to Western Europe and spending very large amounts there for our own military forces. The time has now clearly come when our European allies must take a bigger share of these joint defense costs. The fact that Europe is accumulating dollar reserves at such a high rate is proof that at least some European countries could pay for a larger share of the costs of common defense without hardship. Why, for instance, should U.S. military expenditures in West Germany add $600 million or more a year to our balance of payments deficit, while Germany is in so strong a surplus position?

Our program of foreign economic aid should be confined to the underdeveloped countries and here, too, certain of the European nations, notably Germany and Italy, ought to be able to take up some of the burden.

Nations that we have aided should now accelerate the repayment to us of loans we made them in their time of need. Great Britain has already done something along this line.

The division of Western Europe into two trading blocs also is a matter that affects our balance-of-payments position. Six nations of the continent, led by France and Germany, have established a Common Market, while seven other nations, including Great Britain and the Scandinavian countries, have formed a rival free-trade area. These are moves toward political and economic integration such as we have advocated; but they have provoked a good deal of tension among some of the countries involved, especially Britain on the one hand and France and Germany on the other. There is the danger of Europe becoming divided into rival trading blocs that might discriminate against each other and against us. In an effort to avert this, we are planning with Canada to join a new 20-nation organization embracing both the so-called Inner Six and the Outer Seven. But when this organization will be in operation and what it may cost in concessions of our own freedom of action is still unknown.

The far-reaching character of these newly emerging economic problems suggests the danger that the free nations, committed as they are to an economic cold war with the Soviet bloc and its state trading system, may become inadvertently involved in an economic battle royal among themselves.

Under the circumstances, the time is ripe, it seems to me, for the United States to take the lead in calling a new world economic conference.

The kind of conference I have in mind would be comparable in scope with the London Economic Conference of 1933. But I devoutly hope that its outcome would be different. It was to that conference, you will remember, that President Roosevelt sent his famous message rejecting currency stabilization and the gold standard as "old fetishes of so-called international bankers." This threw the talks into confusion, and the conference broke up without reaching any agreement.

It is important to realize that in the quarter century since 1933, the world has become almost universally committed to the welfare state. And yet it has returned, almost inadvertently, as it were, to a gold standard. It has done this without any certainty that the people are prepared to accept gold standard discipline. We must now face up to the problems that are inherent in this situation. We must, in short, bring the knowledge that we have gained in the past quarter century to bear on the problems that the London Conference failed to solve. And we would be very wise—I may add—to do this while the world is still riding the floodtide of prosperity instead of waiting for an international economic crisis to force our hand.

A conference such as I have suggested should ask whether there is need for a fundamental reform of the International Monetary Fund, or for some new device by which the liquidity of the international system can be expanded without continuously increasing foreign holdings of key currencies such as the dollar and the pound. Short of this, it might consider whether we need merely a better means for coordinating policies between key currency centers, particularly New York and London, and whether this should be done through the IMF.

Such a conference would do well to face up to the question whether European currencies have been stabilized at too low a level, leaving the dollar permanently overvalued. It has not escaped notice that the deficit in the U.S. balance of payments dates almost from the moment in 1949 when the pound sterling and other European currencies were devalued.

There are other questions:

Do we need coordination aimed not just at dealing with balance of payments strains or capital flight, but also at interest rates and monetary policies—so that one nation does not take countercyclical action to the detriment of others?

What do we do about the problem of trade liberalization? The United States has gone far toward liberalizing its trade policy vis-a-vis the rest of the world. Other nations, particularly some whose payments position now is stronger than ours, have not kept up. Discussion of commercial policy in all its aspects would be an important item on the agenda. Incidentally, this discussion should be concerned with Europe's liberalization not only toward United States goods but also toward Japanese goods.

Declining commodity prices and the consequent falling income of raw material producers at home and abroad pose still another problem that needs careful consideration by a world economic conference.

By means of such a conference, we could guard against the possibility that deflation, rather than inflation, may be our major problem. We could examine carefully the adequacy of international monetary reserves and the possible need for new devices to economize on gold and to strengthen central banks and governments in the event of a liquidity crisis. We could face up to the fact that thus far the United States has acted both as pump primer and stabilizer for the free world and that it is time to share this job with others.

I certainly do not wish to appear here in the role of prophet of gloom. On the contrary, I am confident that the knowledge we have acquired and the strength we have built into the national economies of the free world will make it possible for us to deal with our problems without repeating the disastrous experiences of the past. I have great confidence in the ability of intelligent men to find a way out of any difficulties that present themselves. I fear only the very human tendency to keep applying yesterday's solutions to today's problems.

The policies of the past 15 years have succeeded brilliantly in restoring the productivity of war torn Europe and Japan. They have helped to bring about the greatest and most widespread prosperity in history. Now the problem is no longer reconstruction and recovery. It is the seemingly less dramatic but, in fact, far more challenging question of economic stability, of making certain this hard won prosperity endures. On the solution of this tough, stubborn problem will ride all the free world's hopes. We must bring to bear upon it the highest wisdom, imagination, and generosity of spirit our age can command.

The U.S. International Economic Posture—Prospects and Proposals

(By Wilson E. Schmidt, the George Washington University and the Johns Hopkins University)

Some of the key facts of our changed international economic position are as follows:

1. Imports as a percentage of all movable goods produced in this Nation reached a new postwar high in 1959.

2. The share of the United States in the free world's exports of manufactured goods fell from 30 percent in 1953 to 27 percent in 1958.

3. From 1956 and 1957, our merchandise surplus fell $3.5 billion and $5 billion respectively. About 70 percent of this change is attributable to changes in our trade with Western Europe and Japan.

4. From 1954 to the middle of last year, labor costs per unit of output fell 12 percent in the Common Market countries while they rose 3 percent in the United States.

5. The U.S. balance of payments showed deficits of $3.5 and $5 billion in 1958 and 1959, as indicated in table I. In 1959 we paid foreigners almost $30 billion, half on account of imports. They chose to spend only $25 billion for our goods and services and a modicum of investment here. This left them with 5 billion of surplus dollars. They used $1 billion of these surplus dollars to buy our gold, and the rest they left here in the form of liquid assets. Imports of merchandise are the most important factor explaining the rise in payments to foreigners between 1950 and 1957, and each of the last 2 years.

Table I.—*U.S. balance of payments*

[Billions of dollars]

	1950–57	1958	1959
Payments to foreigners	21.5	27.1	29.7
Merchandise imports	11.3	12.9	15.3
Services	3.3	4.6	5.0
Military expenditures	2.2	3.4	3.1
Remittances and pensions	.6	.7	.8
Private capital, net	1.6	2.8	2.1
Government grants and loans, net	2.5	2.6	3.4
Receipts from foreigners	20.2	23.6	24.7
Merchandise exports	14.2	16.2	16.2
Services	5.3	7.0	7.1
Long-term investment	.3	.....	.6
Errors and omissions	.4	.4	.8
Deficit	1.3	3.4	5.0
Gold exports	.2	2.3	1.0
Liquid dollar assets	1.1	1.1	4.0

6. The recent accumulations of liquid assets by foreigners has brought our total liquid liabilities to foreigners to $21.5 billion. The form of these liabilities is shown on the left side of table II while the ownership of them is shown on the right side. Against these liabilities we have gold of $19.4 billion, but $11.5 billion of our gold is not available for export because it is held as reserve against certain liabilities of the Federal Reserve System. We are left with about $8 billion of spare gold against our liquid liabilities to foreigners of $21.5 billion.

Table II.—*The U.S. liquidity position*

	Billions
Liquid liabilities to foreigners:	
Demand deposits	$1.0
Time deposits	6.8
Treasury bills and certificates	9.7
Bankers' acceptance and commercial paper	1.9
Government bonds and notes	2.1
Total	21.5
Gold:	
Gold stock	19.4
Required reserve	11.5
Free gold	7.9
International institutions	3.9
Official	8.9
Private	7.3
Unclassified	1.4
Total	21.5

The situations described in tables I and II cannot be allowed to continue. We cannot run a deficit forever for the obvious reason that we have only a finite supply of gold. We cannot expect foreigners to continue to accumulate, at substantial rates, additional liquid dollar assets because, at some date, they will begin to question the value of the dollar in terms of foreign currencies; to avoid capital losses, they will withdraw their assets in the form of gold. Even if this were not the case, we would still not want rapid accumulation of dollar assets in foreign hands because it shifts our bargaining power in political relations. For

example, in the early 1930's the French asked certain concessions from us under the threat of drawing out French balances in the United States.

The deficit for 1960 will probably be between $2 and $3 billion. Beyond that it is difficult to say. Forecasting the balance of payments is tricky. The deficit is the difference between two large numbers—payments to foreigners and receipts from foreigners. A minor error in forecasting either causes a magnified error in the forecast of the deficit. Despite this uncertainty, it is difficult to be optimistic. Western Europe is showing tremendous strength—a true industrial renaissance is going on there. One needs to look no further than the growing flow of technology to the United States from Western Europe to see how changed the balance of economic power is. The formation of the Common Market and the European Free Trade Association bodes ill for our exports, and the economies of large-scale production which will be achieved only partly because of these new arrangements will make it easier for Western Europe to penetrate our markets. In any event, for almost a quarter of a century this country has been free of balance-of-payments difficulties. This is almost unparalleled in the history of international finance, and it resulted from the great depression and the Second Great War. There is no reason to assume that, in the absence of such cataclysms, the United States is immune from balance-of-payments problems.

The question is what shall we do?

One possibility is to do nothing. If the deficit continues, our gold would flow out and, without the ability to support the dollar with gold, the dollar would fall in value relative to other currencies. This would remove the deficit in the balance of payments through a well-known mechanism. For example, if the price of a pound rose to $3.50, each American exporter would be stimulated to export more goods because, instead of getting $2.80 for each pound's worth of goods he sold in England, he would get $3.50. Imports would fall because foreign currencies would cost more dollars, making foreign merchandise more expensive. Even though it involves a reduction of imports, this is probably the most liberal, most free-trade solution to the problem of the deficit because it reduces governmental intervention, i.e., it ends the fixing of the price of gold by the U.S. Government.

Another possibility is talk. Many speeches are given to induce businessmen to export more. But it is difficult to be optimistic about the success of these efforts; jawbone control of inflation did not work.

Still another possibility is the proposal for the formation of a new international institution which would hold the liquid dollar liabilities of the United States, thereby relieving the danger of their withdrawal for gold. One of several difficulties in this proposal is that it would concentrate in the hands of that institution dollar assets sufficient to allow it to dictate U.S. monetary and fiscal policy.

Foreign aid reduction would ease the balance of payments. But the sinking of the summit in Paris makes this an unlikely coure of action. There is little point in discussing the effect of such a proposal.

The administration has undertaken a number of efforts to promote exports with Government aid to exporters. Whether or not these will succeed in improving the balance of payments depends upon a number of factors. A nation has an export surplus (an excess of exports over imports) only when its national output exceeds its national spending, i.e., when it produces more than it uses at home so that it has something left over for net exports. To improve the export surplus in order to ease the balance of payments, it is necessary either to raise the national output or cut the national spending. The export promotion efforts will do nothing to cut national spending. And they may do nothing to expand national output: to produce more exports, additional resources are required; to the extent that these are drawn from other industries or employments, the export promotion effort merely changes the composition of national output without raising the total output. Hence, no long-term improvement in the balance of payments is obtained.

Still another possibility is to raise tariffs and impose quotas on imports. Entirely apart from the general arguments for and against trade restrictions to protect American industry, it should be noted that the effect on the balance of payments is subtle. To the extent that Americans spend less on imports and an equal amount additionally on domestic goods produced in protected industries, total spending by Americans remains unchanged so that nothing is contributed to improving the export surplus by means of cutting national spending.

If there is no help to the balance of payments on the spending side, would tariffs and quotas help the situation by raising national output? To the extent that resources are drawn into the protected industries from other employments, only the composition and not the total of national output is changed. But where the protected industries have excess capacity and unutilized resources, so that their expansion will not draw resources from other industries or will not require resources which would go to other industries, the imposition of tariffs and quotas will raise national output and thereby contribute to improving the balance of payments.

U.S. Foreign Economic Policy—Time for a Change

(By Horace B. McCoy, president, Trade Relations Council)

Last year—1959—imports into the United States were over $15 billion—an alltime record.

The U.S. balance of international payments for this same period showed a deficit of $3.7 billion—also a record. This deficit is an extremely serious threat against the value of the dollar and our gold supply.

The U.S. Tariff Commission last week rejected the appeal of two typewriter manufacturers for a duty on typewriter imports. This decision is consistent with other recent decisions of that Commission.

The Department of the Army last week decided to award contracts to a Japanese firm for supplying electric locomotives to the Panama Canal, one of our most strategic and perhaps vulnerable national defense facilities.

It is against this background of selected and fragmentary current events that I want to discuss with you our foreign economic policy; its current and potential effects on U.S. industry; and make some suggestions for changes in legislation and policy governing our trade relations with the free world.

For purposes of this discussion, I will confine most of my remarks to our trade with Europe, particularly the Common Market area. Europe is our largest foreign trading area, both as to exports and imports. I am not ignoring Japan which has become a formidable competitor in world trade, and has made great inroads into our home markets. Most of my observations on policy and competitive matters apply equally to Europe and Japan.

The genesis of our current foreign economic policy was the first enactment of the Trade Agreements Act in 1934. This act has constituted the hard core of our foreign trade relations with the free world for over 25 years. Under authority of this legislation, which has been extended over the years until June 30, 1962, the executive branch has by agreement with other countries lowered U.S. import duties on a reciprocal basis with more than 30 countries. During the period 1934 to the present, U.S. import duties have been reduced by about 80 percent from the 1930 level. These trade agreement rates have been available to all free world countries without other restrictions. At the same time, many of the countries which have received the benefits of our reduced tariffs have maintained discrimination against dollar imports. These restrictions have been either for balance-of-payment reasons, or other forms of burdens on imports. This situation was recently described by the Under Secretary of State in a speech on February 19 this year as follows:

"Throughout the period of postwar reconstruction, we vigorously put forward our firm belief that liberal international trade policies are essential to free world economic progress.

"Until fairly recently, however, ours has been a rather lonely position. The industrial nations, with few exceptions, clung to exchange controls and severe quantitative import restrictions to protect their meager foreign exchange reserves. Many of the less developed countries also maintained import restrictions for balance-of-payment reasons. In addition, most of them felt that a measure of protectionism would foster much needed industrial growth."

It is one of the ironies of contemporary international economic relations that the countries which have been the chief beneficiaries of our low tariff structure, and have been the chief sources of discrimination against dollar imports, have been the most articulate critics of any proposed changes in U.S. import duties or Government procurement that might be justified under terms of law or trade agreements. In a large measure, the administration of our tariff policy has been subject to the consent and desires of those countries having the most direct interest in U.S. import trade, without regard to our own.

Important results of our foreign economic policy over the years are now clearly evident. I summarize these results as follows:

General reduction of import duties by the countries which are members of GATT, on a reciprocal basis.

Economic aid and mutual security expenditures, loans and grants for industrial development abroad, and extensive technical assistance, has been the vital ingredient in the economic recovery and current progress in Western Europe and Japan.

The revival of international trade on a greatly expanded scale has been largely financed by U.S. dollars.

Due to balance-of-payment problems and protectionist measures, there has been discrimination for many years against dollar imports.

Through the aid program and otherwise, the United States has financed its principal international competition.

U.S. imports reached a record level in 1959, with an increasing proportion of such imports being highly manufactured goods.

Deficits in the U.S. balance of payments have existed for some time but reached a record level of $3.7 billion in 1959, a serious threat to the dollar, and gold reserve, if continued.

Foreign countries now appear to claim vested rights in U.S. tariff policy, if not in the economic aid program.

Domestic industry has found it almost impossible to secure any measure of relief, provided for in the Trade Agreements Act, from destructive imports.

If some of the adverse aspects of the results of our foreign economic policy were not enough, the competitive position of U.S. industry in domestic and foreign markets has deteriorated.

The inflationary effects of costs in our economy have steadily reduced the competitive margin of U.S. manufacturers. This is reflected in reduced exports which was one of the chief factors in the deficit in the balance of payments last year. Concurrently with the loss of competitive ability, U.S. industry is increasing its private investment abroad. The purpose of these investments is to regain former export markets, to participate in the expected economic growth in certain areas, especially Western Europe, and to produce for export to the United States to supplement domestic production. There is ample evidence that more and more U.S. manufacturers are considering expansion abroad as a method of increasing their competitive position in domestic markets. A continuation of our present foreign economic policy would certainly add emphasis to the internationalization of U.S. industry. While in theory the expansion of U.S. private investment abroad is desirable and not adverse to U.S. interests, the extension of private investment to displace or substitute for domestic expansion raises serious implications with respect to economic growth at home. While I do not believe that U.S. industry investment abroad is as yet having any appreciable influence on industrial expansion in the domestic section, I do believe, unless our policies are changed, the inducements for foreign investment, not only to profitably employ capital but also to increase the amount of goods the domestic corporations introduce for sale into U.S. markets, will have serious effects on our balance of payments and on our industrial employment.

The formation of the European trade blocs—the European Economic Community and the Free Trade Association—is certainly going to produce important changes in our trade relations with those areas. The nature of the two trade areas suggests that the policies and operations will result in an undetermined degree of discrimination against nonmembers, including the United States. I fully expect that the full development of a Common Market in Europe will further enhance the international competitive position of European industry to the disadvantage of U.S. industry in both domestic and foreign markets.

I will briefly review our trade and competitive situation with the European Common Market group. I shall cite only a few summary statistics. With respect to exports, our shipments have been on an upward trend—from $1.5 billion in 1953 to $2.4 billion in 1959. A similar trend has existed for all other European areas. U.S. imports from Common Market areas increased from $1 billion in 1953 to $2.4 billion in 1959. While increasing our exports during this period by 60 percent, we have increased our imports by 140 percent. Imports from the Free Trade Association area for the same period increased 80 percent.

I believe that this trend of increasing imports over our exports to that area will continue over the long term. My reasons, which I think have valid justification, are several. One of the most important factors in the rising competitive status of Common Market areas is the relative wage levels and other costs of manufacture in relation to U.S. industry. In addition, there is evidence that productivity in European industry is rising more rapidly than in this country. Many of the plants in the six countries are new plants having been completely rebuilt or modernized since the end of World War II, and have additionally been automated as markets and demand have expanded.

The business press recently reported the substance of a report on European wage levels by a large Belgian bank. I quote from an article which appeared in the Journal of Commerce of May 5, as follows:

"The Banque de Bruxelles, one of Belgium's leading financial institutions, recently issued an analysis indicating that the disparity between U.S. and European unit labor costs has been growing rather than diminishing.

"Average costs for the six members of the Common Market (France, Germany, Italy, Holland, Belgium, and Luxembourg) had dropped by the middle of last year to a level some 12 percent under that of 1953. The bank estimated that U.S. costs has gone up by 3 percent over the same period."

I have summarized some of the more important competitive issues which I believe will confront U.S. exports to the Common Market and other areas. It is difficult to give any precise measurement to a competitive gap with so many variables present, the influence of which must be the subject of conjecture only. The Trade Relations Council has endeavored to collect some specific information from its members on their competitive experience.

I will endeavor only to summarize the reports received from our members who could furnish useful information. According to these reports, competing foreign products were found to range from approximately 10 to 70 percent below the price of comparable American products, with differentials of 30 to 50 percent, the most frequent. The geographical areas in which U.S. products were underpriced were in virtually every section of the world. Next to Latin America, Europe was the area most frequently reported as the place where sales were lost due to lower prices of foreign products. In the Common Market area, France, Italy, and West Germany were most frequently mentioned.

On the question of comparable productivity, none of the responding members reported that foreign productivity on the competitive products was greater than theirs. Some reported that productivity abroad appeared to be about the same as in their U.S. operations and a smaller number reported less productivity abroad than at home.

All reports showed substantially lower foreign than U.S. wage rates. In terms of percentage of U.S. rates reported, wage levels range from 5 percent (Far East) to 45 percent. In the Common Market area, wage levels were reported varying from 20 to 30 percent of U.S. levels.

American industry has for a great many years made investment in foreign countries. There are many and various reasons for such investment. Recently I believe that international competition has been an increasingly important factor in stimulating management decisions to establish production facilities in Europe and elsewhere. Since World War II, the quotas and other restrictions on dollar imports among European areas has provided the incentive for U.S. firms to establish production facilities in those markets to capture lost export trade. A large number of American firms have, in effect, moved their former export business to the consuming market.

U.S. private investment in Western Europe and elsewhere has been growing rapidly. According to announcements in business papers, there appears to be a growing number of U.S. firms making direct investments in almost all industrial areas of the world. The most common reasons given for such expansion are the inability to compete in those areas with exports from the United States and a desire to participate in a prospective expanding local market.

I expect that the competitive advantage of production within the Common Market area and the extension of this competitive position to all world markets, will induce more and more U.S. private investment in that area. This will bring about changes in the character and volume of U.S. exports to the Common Market and also affect U.S. exports to other competitive world markets.

Should the competitive advantage of European and Japanese production be maintained, or the gap widened in favor of European costs with relation to domestic U.S. production costs, a powerful incentive will exist to induce U.S.-owned enterprises abroad to export to the United States. To some extent this is now taking place. Parts, components, and in some cases, complete products are being exported to this country from foreign sources by U.S.-owned or controlled plants to supplement domestic production and sales.

It is abundantly clear that economic progress in the free world during the past few years is now producing, and will continue to produce, dramatic and far-reaching changes in the balances of economic power and consequent shifts in the sources of international trade. To deal with these fast-moving events, which are producing highly complex economic relationships with the rest of the world, the United States needs a new and revised statutory framework under which to conduct our foreign economic relations. Present laws, institutions, and policies lack cohesion, are cumbersome in operation and do not permit the establishment and achieving of clear and consistent national objectives in our economic relations with the rest of the world.

I am not prepared at this time to give precise specifications of a new and revised foreign economic policy for the years ahead. I can indicate what the principal elements and objectives should be, all of which are clearly indicated by the results and future portents of our present policy. In my judgment, our foreign trade policy should—

1. Provide opportunities for private enterprise, at home and abroad, to carry on international trade on a basis that is mutually profitable for each participating nation.

2. Provide prompt and adequate remedy against dumping, or destructive selling, of materials or goods for purposes of disruption of international markets or absorption of excess production.

3. Provide for effective procedures, when necessary, for safeguarding domestic employment and industrial expansion against imports from areas of substandard wages, with measures for tariff reduction incentives related to wage levels in those countries.

4. Provide effective procedures for general safeguarding of domestic economic growth, and national security, from imports which cause serious dislocation of employment, adversely affect new capital investment and threaten national security.

5. Provide for definite measures to deal with discrimination against imports from the United States.

6. Insure flexibility in administration of foreign trade policy to cope with foreign trade blocs.

7. Provide authority to negotiate reciprocal trade agreements whenever this can be done to the mutual trade advantage of the United States and other countries, on a bilateral basis when necessary.

8. Reorganize Federal institutions and procedures with centralization and cohesion of administration to achieve national objectives in our foreign economic policy.

I have not discussed the specific foreign trade problems of the copper and brass products industry. I am sure this audience is completely informed on this subject. I understand that representatives of the industry recently conferred with the Department of Commerce on ways and means of expanding export trade in your products. I hope the Commerce Department was able to prescribe ways and means whereby members of this industry can overcome foreign tariffs,

exchange restrictions, lower your prices and outsell foreign competition in world markets.

According to the various press releases and speeches by Government officials, U.S. firms are not trying hard enough to sell their products and services in foreign markets. The "hard sell" is just now being practiced abroad as it is at home. Could it be that the Government's sudden enthusiasm for export trade effort—neglected for so many years by Government itself—is to divert attention from mounting competitive imports?

It is considered good form, I believe, to end a talk on a climactic note or a message from the "summit." Perhaps even a funny story is sometimes suitable. I am not going to follow this principle on this occasion.

Just before I left Washington, I read an article in the May 13 edition of the "Daily News Record." A correspondent reported that some GATT members are expected to attack U.S. tariff policies, particularly those on textiles. It was stated that the underdeveloped countries, who are getting loans and grants from the United States to establish textile plants, will claim that the U.S. textile industry is marginal to the U.S. economy, but it is crucial to the ambitions of these countries as an export market for their new production. These countries will claim, according to this report, their balance-of-payments problems are acute, especially with reference to hard currencies.

It may well be that those countries which are now exporting copper and brass products to this country will decide that your industry is marginal. It is conceivable they could ask the United States to consider your industry expendable in the interest of our foreign policy. Generally speaking, our Government has been very accommodating to the wishes of other countries on economic matters. If this is likely to happen, perhaps each of you might want to take the advice of the undertaker who advertised "Investigate our layaway plan."

ACCOMPLISHMENTS OF THE REPUBLICAN ADMINISTRATION IN NATURAL RESOURCES AND CONSERVATION, 1953–60

Mr. WILEY. Mr. President, the distinguished senior Senator from South Dakota [Mr. MUNDT] has compiled an excellent report on the accomplishments of the Republican administration in natural resources and conservation. I ask unanimous consent that this report be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ACCOMPLISHMENTS OF THE REPUBLICAN ADMINISTRATION IN NATURAL RESOURCES AND CONSERVATION, 1953–60

(By U.S. Senator KARL E. MUNDT, of South Dakota)

More progress has been made between January 1953 and May 1960 in the intelligent conservation, prudent use, and orderly development of America's priceless natural resources, than in any comparable 7-year-plus period in our history.

With the Republican Party giving true meaning to national conservation goals, these have been some of the salient accomplishments:

1. Vast new sections of the arid West have been opened to productive life through the Republican administration's insistence on accelerated construction of reclamation dams and reservoirs.

2. Unprecedented increases in the production of hydroelectric power have contributed to a blossoming of industrial development throughout many of the Western States.

3. Our great network of national parks has been expanded and revitalized.

4. Fish and wildlife conservation has moved forward at a rate unmatched in previous history.

5. Effective steps have been taken to insure wise development of our mineral resources.

6. During fiscal year 1959, the Department of the Interior's Bureau of Land Management took in revenues of over $136,700,000 from the conservation and development of the Nation's public domain lands. Since 1785, total revenues from the lease and sale of public domain lands and resources have exceeded $2 billion. The significance of the fact that more than half of this sum has come in since January 1953 needs little emphasizing. At the same time—recognizing the growing values of public domain lands under departmental management—a set of stringent antispeculation policies have been adopted to provide full protection of the public interest.

7. The urgent short-term and long-range water needs of the Nation are being met through imaginative new programs.

8. Statehood has been won for Alaska and Hawaii, thus opening vast new resource reserves to increased productivity and development.

9. Important new programs have been launched to conserve and develop the human resource represented by our Indian population.

This list consists of only the highlights of a massive total conservation upsurge that has, directly or indirectly, helped to better the lives of all Americans under the Republican administration.

These striking accomplishments, achieved through forward-looking programs, are in close accord with the basic conservation philosophy of the Republican Party.

Promotion of cooperative planning and effort—teamwork—in natural resource conservation and development has been a cornerstone of the positive resource policies of the Eisenhower-Nixon Republican administration. This teamwork approach has paved the way for a resource development effort by both public and private enterprise without parallel in our history. The 1953–60 period seems certain to go down in history as our most golden era in resource progress.

The Republican Party is keenly aware of the fact that today's generation has a solemn obligation to conserve our physical and scenic resources for tomorrow's children. At the same time, the Nation's high standards of living give ample proof that intelligent conservation and orderly development of natural resources are compatible.

RECLAMATION

Today—after nearly 50 years of the Federal Government's reclamation program which was proposed and started by the Republican Party under President Theodore Roosevelt—some 7,500,000 acres of irrigable land in the 17 Western States are served by reclamation projects. Power-generating capacity stands at more than 5 million kilowatts. Crops produced with reclamation water are worth nearly $1 billion a year.

These are impressive figures.

But far more impressive is the record of accomplishment in the more recently 1953–60 Republican years. This Republican administration has under way the largest water resources construction program in history—a record $1.2 billion was requested in the 1961 budget for flood control, navigation, irrigation, power, and related water resources projects.

In the field of reclamation, since 1953 the Republican Administration has sponsored, and Congress has authorized, 51 reclamation projects, or project units, including the billion-dollar Colorado River storage project, the largest reclamation undertaking ever approved in a single piece of legislation.

Included also were the Glendo Unit of the Missouri River Basin project in Wyoming, recently dedicated; the Talent division of the Rogue River Basin project in Oregon; the Trinity River division of the Central Valley project in California; the Lavaca Flats, Mirage Flats extension, and O'Neill Units of the Missouri River Basin project in Nebraska.

Taken together, these 51 new projects or project units will have a storage capacity of nearly 42 million acre-feet—an increase of 50 percent over the Bureau of Reclamation's storage capacity in mid-1953.

These 51 new projects will ultimately provide full or supplemental irrigation water for nearly 890,000 acres of land—an area larger than Rhode Island and a 12 percent increase over the total irrigable acreage of reclamation projects for the 1953 crop year.

Their hydroelectric powerplants will deliver each year about 8½ billion kilowatthours of energy—an increase of one-third over the total energy generated at Bureau hydroelectric plants during the fiscal year ending June 30, 1953—the last fiscal year planned by the Truman administration.

Over the same 7-year period, on some of these projects and on units of others authorized earlier, the administration has undertaken 44 new construction starts including nine supplementary projects, and involving a total present and future investment of nearly a billion dollars.

For the 8 fiscal years ending June 30, 1961, the Department of Interior has had or requested a total of $1,765 million appropriated for the work of its Bureau of Reclamation. In other words, nearly one dollar out of every three made available for reclamation activities since 1902 ($4,723 million) will have been appropriated during the Eisenhower administration.

This impressive financial support for western resource development has been possible in spite of record peacetime defense costs, and in spite of the fact that in every fiscal year but one, the Congress, controlled in every session but one by the Democrats, has failed to appropriate as much money as the Republican administration requested for reclamation work.

The importance of the reclamation program to the West cannot be overestimated. Bureau of Reclamation projects deliver annually about 260 billion gallons of water for 106 municipalities and 68 industrial entities scattered throughout the West. Irrigation water is delivered to more than 128,000 farms, embracing more than 8 million acres. These farms produce crops valued at nearly $1 billion annually. The daily activities of nearly 10 million persons who live on farms in industrial areas, and in cities provided with water from reclamation projects are vitally affected by these artificially developed supplies of life-giving water.

These, then, are some of the spectacular accomplishments in reclamation by the Eisenhower-Nixon Republican administration in the short span of a little more than 7 years. The results of this achievement have contributed immeasurably to the economic stability, not only of the West, but the Nation as a whole.

In addition to authorization of the billion-dollar Colorado River Storage project, which will store and transport water for consumption in a four-State, semiarid area larger than New England, a second far-reaching legislative accomplishment of the Eisenhower-Nixon administration was the enactment of legislation to provide loans and grants for local construction of small (less than $5 million in Federal participation)

reclamation projects and distribution systems for existing reclamation irrigation projects. This program—long advocated by western water-user groups—was not finally authorized until 1955, yet a total of nearly $40 million had been appropriated for loans and grants by early 1960, and other requests were awaiting final action.

A third highly significant legislative milestone of this Republican administration in regard to reclamation was passage of Public Law 85–500, known as the Water Supply Act of 1958.

This act provides authority for the U.S. Army Corps of Engineers and the Bureau of Reclamation of the Department of the Interior to make provision for storage, not only for immediate but also for future water supply needs in connection with Federal multipurpose projects, thereby permitting the Federal Government and local interests to share equitably in the benefits of multiple-purpose construction.

HYDROELECTRIC POWER

Some indication of the almost incredible scope of the natural resource accomplishments of the Republican administration may be found in an examination of the results achieved from a single phase of conservation in a single area of America.

The Pacific Northwest today, with its plentiful and low-cost hydroelectric energy—increasing more than twofold in the years since 1953—is the strong right arm of a burgeoning era of progress and prosperity. In little more than 7 years, the Federal Government's Columbia River power system grew from two multipurpose dams—Bonneville and Grand Coulee with an installed capacity of 1,814,400 kilowatts—to 17 multipurpose projects completed or under construction with an ultimate installed capacity of 7,818,650 kilowatts.

Currently, the Pacific Northwest region has 161 hydroelectric plants with nearly 10,600,000 kilowatts of installed capacity—two-thirds of them completed or placed under construction during this administration.

Presently under construction, scheduled, or under active consideration are 74 additional projects with an installed capacity of nearly 12 million kilowatts. Half of this capacity is either actively under construction now, or firmly scheduled.

Since 1953, power generated at Federal dams in the Pacific Northwest has totaled 228.3 billion kilowatt-hours—a figure nearly three and one-half greater than that for the preceding 10 years. During this same period, generation from non-Federal dams nearly doubled.

Over $1.5 billion has been allocated to power facilities in the short span of something more than 7 years, a fourfold increase over the total for the previous 10 years due to the progressive construction of hydroelectric dams by the U.S. Army Corps of Engineers and the Department of the Interior's Bureau of Reclamation, together with the transmission facilities of Interior's Bonneville Power Administration. As of May 1, 1960, more than $647 million has been repaid to the United States Treasury from power revenues—all of this under the Republican administration.

RECREATIONAL RESOURCES

Probably in no other area of our national life are the immediate demands being placed on an invaluable resource by the explosive nature of our population growth more dramatically illustrated than in the increasing pressures on America's recreational resources.

Fantastic as they have been, the Nation's population gains do not begin to approach the corresponding rate of increase in outdoor recreational activities by countless millions of Americans.

In our national parks, for example, there were just 1 million visitors in 1920. By 1959 this figure had risen to over 62 million—an increase of more than 6,000 percent—and the upward curve was continuing.

In the progressive years of the Republican administration, the Department of the Interior spearheaded intensified efforts of recreational planners at all levels of government to provide wholesome outdoor recreational facilities for the multiplying millions of Americans today—and to assure at least corresponding benefits for the generations yet unborn.

Through the dynamic programs of its agencies, the Department, in less than 8 years, has achieved advances in this important era of national life unmatched in previous history. These were some of the accomplishments:

1. The National Park Service, with its 10-year program, Mission 66, made spectacular forward strides in preserving, protecting, and improving the irreplaceable National Park System. At the same time, since January 1953, more than 600,000 acres have been added to the system, and a number of new areas have been established within the jurisdiction of the National Park Service, including the establishment of the 29th national park in the Virgin Islands. The total budget for the National Park Service for the first 4 years of Mission 66—a sum approaching $300 million—exceeded the total for the 13 years prior to this administration.

2. The Bureau of Reclamation, whose prime responsibility is development of irrigation for the water-hungry West, established important new water recreational facilities in the arid areas of the Nation through the creation of great manmade lakes at reservoirs.

3. The Fish and Wildlife Service carried out far-reaching programs to provide abundant supplies of fish and game for recreational hunting without depleting wildlife resources.

4. In less spectacular, but equally important ways, the Bureau of Land Management and the Bureau of Indian Affairs made positive contributions to improving and increasing America's recreational facilities.

Under Mission 66, the National Park Service—which administers about 180 areas of scenic, scientific, or historical importance—made rapid strides during the Republican administration years in restoration and development of park areas.

When this long-range program was inaugurated in 1956, the Nation's parks were neither staffed nor equipped to protect their irreplaceable features, nor to provide proper facilities for the increasing millions of visitors—expected to reach or surpass a total of 80 million when Mission 66 is completed. Lodging and eating facilities were inadequate and outmoded. Interpretive services for proper park enjoyment were lacking, while priceless park facilities were deteriorating.

From mid-1956 to early 1960, the Park Service, through the investment of more than $100 million, provided new and better park roads, trails, parkways, visitor centers, museums, campsites, utility systems, and a variety of interpretive services throughout the Nation. The sign, "A Mission 66 Project" became a familiar landmark to millions of traveling Americans. Again, all of this under the Republican administration.

During the same period, private enterprise invested more than $17 million to provide new hotels, lodges, motels, restaurants, and other accommodations which allow park visitors to do more than merely drive through park areas.

In the years of the Eisenhower-Nixon Republican administration, the Department of the Interior moved to salvage some of the remaining potential park areas when it requested Congress to approve legislation which would authorize the acquisition of at least three additional national shoreline areas.

In 1959, the national wildlife refuge administered by the Department's Fish and Wildlife Service recorded some 10 million visitors—in contrast with about 3.5 million in 1951.

Like other owners of land in scenic areas away from metropolitan centers, Indian tribal groups during the progressive years of this administration have become increasingly aware of the attractiveness of certain reservation areas to sportsmen and tourists. The White Mountain Apache Tribe in Arizona, for example, has on its reservation about 80 percent of that State's trout stream mileage. It created a large manmade lake in a mountain setting, stocked it with fish, and laid out 500 summer cottage sites for lease. In this and other ways, the Indians during this administration—with the encouragement of the Bureau of Indian Affairs—developed important new recreational resources for the enjoyment of many Americans.

Recognizing America's swiftly growing interest in water recreation, the administration won congressional approval of recreation as one of the specific beneficial uses of the gigantic upper Colorado River storage project.

This enormous project will contribute not only large amounts of water for irrigation and hydroelectric power generation, but also, because of the positive conservation leadership of this administration, will create a great network of manmade lakes which will provide many hours of wholesome recreation for our growing population in years to come.

Use of the manmade reservoir lakes of the Department's Bureau of Reclamation has mounted phenomenally during the Republican administration. In 1955, some 10 million people visited and enjoyed the water recreational facilities of reclamation reservoirs. By 1959 a total of 19.5 million persons used these recreational resources—an increase of almost 100 percent in about 5 years.

FISH AND WILDLIFE CONSERVATION

Typical of the greater recognition given during this administration to the need for improved conservation of our fish and wildlife resources was the reorganization of the Department's Fish and Wildlife Service under the Fish and Wildlife Act of 1956.

Under this far-reaching legislation, the sport fisheries and wildlife and the commercial fisheries activities of the Department were divided into separate bureaus of the Service under a Commissioner. A new Assistant Secretary of the Interior was designated to supervise all fish and wildlife programs.

A spectacular action under this administration was the laying of the necessary groundwork for establishment of the 9 million acre Arctic Wildlife Range, an area three times as large as any existing American national wildlife area. When the action is completed, the total of national wildlife areas will soar close to 27 million acres—protected for present and future generations of Americans.

In the period of little more than 7 years, a total of 23 refuges, with a total acreage of 114,152 in 22 States, were added to the national wildlife refuge system, and action was begun for the establishment of several others.

Another outstanding action was passage of the new $3 duck stamp law designed to greatly accelerate additions to the network of national waterfowl refuges in the four flyways. The Duck Stamp Act of 1958 ended the diversion of duck stamp funds for other than refuge purposes. Under it, all net rev-

enues on stamp sales are earmarked for selection and acquisition of habitat for waterfowl.

Highly important in the conservation and development of the Nation's fish and wildlife resources were these additional departmental action during the Eisenhower-Nixon Republican administration.

1. A controversial issue which had been unsolved for many years—oil and gas leasing on refuges—was settled by prohibiting such activity on national wildlife refuges in the 48 contiguous States except in case of oil drainage.

2. In the interest of the salmon fishery of the Northwest, the Department of Interior actively urged that no further dams be built on the Middle Snake River in Idaho below the mouth of the Imnaha until other possibilities for water storage on that river system had been thoroughly explored and considered.

3. Amendments to the Coordination Act of 1946 were sponsored by the Department and now make possible enhancement of fish and wildlife values, as well as the mitigation of losses of such values in Federal water development projects. These amendments make improvement of fish and wildlife a specific purpose of Federal water resource projects—making fish and wildlife an equal partner in this resource development field.

4. The Federal aid program administered by the Fish and Wildlife Service resulted in new high marks of conservation progress. The magnitude of this program may be judged by the expenditures since January 1953. A total of some $150 million—Federal aid and State funds combined—was invested by the various States on Federal aid projects for the restoration of game, and nearly $50 million for the restoration of fish. This, of course, did not include restoration projects wholly financed by the States. In the Federal aid fish restoration work, States completed or initiated construction of 186 lakes with a total surface of 25,000 acres. For the restoration of game, States acquired in fee title, through the Federal aid program, approximately 1¼ million acres of land at a cost of more than $45 million, about one-third of which is being used for waterfowl management.

5. In addition to the 23 new refuges established in the national refuge system, the Department of Interior also brought about the establishment of more than 40 new units in the system of cooperative areas—Federal lands operated as wildlife management areas by the States under agreements developed by the Fish and Wildlife Service.

6. Research in the early years of the administration proved a definite link between unwise use of pesticides and the destruction of several species of desirable birds, land animals, and fish. As a result of these findings, the Department supported legislation which authorizes long-range studies on the effects of pesticides and to recommend formulations and practices which would not endanger fish and wildlife. A measure of the growing importance attached to this program may be seen in the fact that the 1958 appropriation of $280,000 was increased to $2,565,000 in 1959.

At the same time, departmental programs aimed at combating various forms of threats to our commercial fisheries resources made important progress since January 1953. For example, explosive increases in the abundance of sea lampreys in the Great Lakes in recent years brought about the destruction of the once valuable lake trout fisheries in Lake Huron and Lake Michigan and greatly reduced the trout population in Lake Superior. During the productive years of this Republican administration, the Bureau of Commercial Fisheries developed electrical barriers to kill spawning adult lampreys, and chemical lampricides to kill developing lamprey larvae in the spawning stream gravels. These methods show excellent promise of reducing the lamprey populations to low levels so that the valuable lake trout fishery can be restored.

Here, too, the Republican concept of teamwork between Federal, State, and local agencies, together with private industry, has led to a unified approach to the problems of our commercial fishing industry.

7. A program of standards development for inspection fishery products was initiated by the Department's Bureau of Commercial Fisheries, and was carried out in close cooperation with the industry. The result has been development of five voluntary U.S. standards for major fishery products. These standards define the characteristics of good quality fish and are available to everyone.

SOUND PUBLIC LAND MANAGEMENT

During fiscal year 1959, the Bureau of Land Management took in revenues of over $136,700,000 from the conservation and development of the Nation's public domain lands. Since the Bureau was created in 1946, revenues have totaled more than $1.2 billion. Over 80 percent of these revenues have come in since the Republican administration took office in 1953. Since that year revenues have exceeded appropriations by more than 6.4 to 1.

Major developmental actions affecting the resource programs of the public domain in recent years have included the opening of some 20 million acres of northern Alaska lands to mining and mineral leasing development. The area is known as PLO 82 and is adjacent to Naval Petroleum Reserve No. 4. The opening of these lands to exploration and development may pave the way for major new economic development for the new State.

Of no less importance to the conservation of public lands has been the recent improvement of fire detection and suppression methods in the western States. The Bureau has placed into effect regulations to carry out the Department's responsibilities under Public Law 167, which provides for multiple use of surface resources on public lands and protects the public interest in those resources through regulatory provisions. Public Law 167 represents the most important change in the mining laws since enactment of the Mineral Leasing Act of 1920, and constitutes one of the most vital conservation measures in history.

MINERALS AND METALS PROGRAMS

Twice, in 1957 and 1958, the Republican administration presented a comprehensive minerals program to the Democratic-controlled Congress. Congress failed both times to enact this recommended legislation. The only significant portion of the two major minerals programs which was authorized by Congress was the long-range domestic minerals exploration plan. This legislation established the Office of Minerals Exploration within the Department of the Interior. The program of this office provides for the sharing of the risk between the Government and private industry to carry out minerals exploration projects which would not normally be undertaken with private capital alone.

The administration has also recommended passage of S. 1537, which would establish policy guidelines by the Congress, to be followed by the Government in recommending and establishing minerals programs. The effect of such legislation would make the maintenance of a sound and healthy minerals industry a major consideration of the Federal Government. It has not been enacted.

The Department of the Interior's Bureau of Mines continues its emphasis on research involving high-temperature and special-structural metals, and is attempting to develop new uses for materials having unusual properties.

An outstanding accomplishment of the Bureau during 1959 was the development of a method for making shaped castings of molybdenum at the Electrometallurgical Research Laboratory at Albany, Oreg. Recently, deposition of high purity tungsten into simple controlled shapes by a novel process developed by the Bureau has generated tremendous interest among the designers of missiles. Its possible application in helping to solve the problems incident to high-temperature alloys is significant.

Emphasis was placed by the Department's geological survey on the development of new geologic concepts, techniques, and tools to aid in the search for mineral deposits and to determine the water supplies of the Nation.

As a result of geochemical research, a tungsten deposit was located in western Colorado, and new methods of interpreting rock alterations and geochemical anomalies led to a major discovery of silver-lead-zinc ore in Utah. About $11,760,000 for geologic and mineral resources surveys and mapping will be expended during the 1960 fiscal year.

After failure of the Democratic-controlled Congress to enact either recommended program, quotas on imports of lead and zinc were imposed by President Eisenhower, October 1, 1958. In conjunction with moderately increased consumption, these quotas served to improve the situation of these two commodities during 1959. Mine production of lead and zinc have increased.

By proclamations dated March 10 and April 30, 1959, the President provided for regulating imports of crude oil and its principal products into the United States. Subsequently, regulations were issued implementing the proclamations and establishing in the Department of the Interior an Oil Import Administration under the direction of an Administrator and an Oil Import Appeals Board.

This program was initiated to encourage a healthy climate for domestic oil exploration.

MINERAL RESOURCE DEVELOPMENT

Under the Eisenhower-Nixon policy of "creative conservation," the years since January 1953 have witnessed a period of rapid economic growth and scientific advancement despite substantial defense stockpiling of strategic materials. During this period, the Nation's mines and mineral plants have sustained a high level of output and, largely through improved technology, developed new resources to meet future needs.

At the beginning of the Republican administration, petroleum production from the public lands amounted to some 80 million barrels a year.

Today—just a little more than 7 years later—annual production has soared to more than 142 million barrels—enough oil to heat 5 million homes.

In 1949, 124 billion cubic feet of natural gas was extracted from public domain lands.

By early 1960, this total had been raised to nearly 446 billion cubic feet—an increase of more than 300 billion cubic feet in a decade.

In 1949, there were some 22,000 outstanding mineral leases on public lands in the United States covering slightly over 19 million acres.

Today—after little more than 7 years of this Republican administration—over 107 million acres are covered by more than 132,000 leases.

As with water and land resources, the spectacular advances in mineral resource development since January 1953 have been made possible in large measure by the successful sponsoring by the administration of vital new legislative measures.

Passage of the Outer Continental Shelf Lands Act in 1953 marked the beginning of Federal mineral leasing of offshore submerged lands and the rapid expansion of private exploratory development investments in mineral production.

Providing legal sanction for the application of modern day multiple-use land management, Public Law 585 of 1954 opened the door to mining and mineral leasing development on the same tracts of land. This law was followed a year later by two laws, one authorizing the extraction of uranium and other source materials from lignite coal deposits, and the other permitting mining claims on some 7.2 million acres set aside as power and water sites in 24 States.

In 1955, Congress passed Republican-backed legislation often described as the most important single conservation measure since passage of the Taylor Grazing Act in 1934. Public Law 167, the Multiple Surface Use Act, had the effect of unlocking immense values of surface resources on millions of acres in dormant and abandoned mining claims.

Early in the administration, the Department of the Interior initiated an incentive program to encourage exploration for domestic sources of critical and strategic minerals and metals by providing for Government participation in the costs and risks involved.

The program is unique in that for the first time a joint effort was made by the Government and private industry for minerals exploration. The results have been highly satisfactory, adding substantial mineral reserves to the Nation's resources.

MEETING OUR WATER PROBLEM

Realizing that the enormous demands for water will continue to increase as our population expands and our standard of living rises, the Eisenhower administration has pursued with urgency a vigorous program to find an economical means of converting saline water.

The Department of the Interior's Office of Saline Water has already made a sevenfold reduction in the cost of converting salt water to fresh water and the outlook for the future is bright, despite the fact that the Democratic-controlled Congress has refused in 4 years out of the last 7 to appropriate as much money as requested for this program.

Saline water conversion pilot plant tests give strong indication of a breakthrough in preventing the formation of scale on distillation equipment. Scale formation is one of the major technological problems in distillation processes. This exciting new development will be utilized in the first of five saline water conversion demonstration plants to be built by the Department of the Interior. U.S. Senator FRANCIS CASE, of South Dakota, has established himself as a farsighted statesman in pushing this program from the start.

One of the plants will work by an electrodialysis process, and will be located in the northern Great Plains in Webster, S. Dak. It will be designed to convert brackish water to fresh at the rate of 250,000 gallons per day.

Imagine the blessings which will be brought to the arid area of this country, and to the world, if we can be successful in this program. Republican leadership will assure success, if it is at all possible.

STATEHOOD WON FOR ALASKA AND HAWAII

Congressional approval of the Republican platform promise and President Eisenhower's request that both Alaska and Hawaii be admitted into the Union was largely due to the persistence of the Eisenhower administration's ardent statehood advocate, Secretary of the Interior Fred A. Seaton. As spokesman for the administration, Secretary Seaton helped lead both statehood campaigns.

INDIAN AFFAIRS

The policies of the Republican administration have struck at the root of the problems of the American Indian, and mark a turning point in the history of Indian affairs in the United States.

In 1953, only 79 percent of the Indian children between the ages of 6 and 18 on reservations were enrolled in school. For the current school term, the figure is 93 percent, and when the new term begins in the fall there will be facilities to meet the educational needs of all school-age Indian children on reservations throughout the United States, most, of course, being located in the Western States.

During this administration, the Department has taken positive steps to repair the damages of past educational deficiencies among adult Indian people. Today, an adult education program is being conducted at 80 locations, and 3,000 Indians and native Alaskans are enrolled.

Since 1956, the Bureau of Indian Affairs also has conducted a program of vocational training in trade schools and on-the-job training in industrial plants.

IN CONCLUSION

Never in our history has there been such progress, in so short a time, to benefit so many people, as the progress made under the Republican administration in its two terms.

COMMERCE, TRANSPORTATION, BUSINESS—A BRIEF SURVEY OF ADVANCES IN THESE FIELDS UNDER THE REPUBLICAN ADMINISTRATION, 1953–60

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report on the activities of the Department of Commerce during the past 7½ years. This report was compiled and presented by the distinguished senior Senator from Kansas [Mr. SCHOEPPEL], the ranking Republican member of the Senate Interstate and Foreign Commerce Committee.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMMERCE, TRANSPORTATION, BUSINESS—A BRIEF SURVEY OF ADVANCES IN THESE FIELDS UNDER THE REPUBLICAN ADMINISTRATION—1953–60

(By U.S. Senator ANDREW F. SCHOEPPEL, of Kansas, senior Republican member, Senate Interstate and Foreign Commerce Committee)

Good times mean more jobs, good wages and decent profits; and under the Republican administration times have never been better.

The gross national product has soared from $345 billion in 1952 to over $500 billion today. The Department of Commerce, under the Republican administration, helped make our economy strong.

In January 1953, when the Republican administration took office, the average weekly wage in manufacturing was $69.60 for a 40-hour week. Today it is $91.20.

TRANSPORTATION

The long overdue St. Lawrence Seaway was finally made a reality by the relentless efforts of the administration, turning the Great Lakes area into our "fourth seacoast."

It was formally opened in 1959 by Queen Elizabeth and President Eisenhower.

The NS *Savannah*, the world's first nuclear merchant ship, was launched in 1959 by Mrs. Eisenhower. It is a joint project of the Maritime Administration and the Atomic Energy Commission.

The National System of Interstate and Defense Highways was begun in 1956 and is now progressing as rapidly as available funds will allow. The Federal financing of these highways is on a pay-as-you-go basis, thus directing the financial burden toward the users of the highways rather than the general taxpayer.

Exhaustive transportation studies were completed with a view to stimulating competition and reorganizing those Government departments directly concerned.

Over 500 commercial-type Federal activities have been abolished; for example, the Inland Waterways Corporation's Federal barge line was sold to a private firm, turning a deficit liablity into a taxpaying asset.

SCIENTIFIC AND TECHNOLOGICAL RESEARCH

In 1960 the Coast and Geodetic Survey began a full-scale oceanographic examination which will add to our knowledge of the sea and will undoubtedly uncover new sources of food, fuel, and metals. The Survey's modernized seismic wave warning system saved hundreds of lives following the recent Chilean earthquake.

In basic scientific research the National Bureau of Standards is now in the vanguard, contributing significantly not only to business but also to our national defense and space efforts.

The research work of the Weather Bureau has brought us near to a major breakthrough in understanding and predicting the weather of the world. The successful launching of the Tiros weather satellite captured the attention of the entire world.

The installation of advanced computers in the Patent Office has revolutionized its patent search procedure, making it feasible to speed up processing of an accelerating number of patent applications.

BUSINESS STATISTICS AND SERVICES

Taking its cue from the President's special message to Congress in March 1960, the Department's Bureau of Foreign Commerce launched an extensive export promotion program.

It is expected that this export drive will contribute significantly to the attainment of new markets and profits for American business and, in so doing, create new jobs and minimize the deficit in our balance of international payments.

The Bureau of the Census, operating with the latest electric computers and tabulating machines, is completing the decennial census of population in record time and with unparalleled accuracy and efficiency.

Various commercial statistics now compiled by the Bureau of the Census have been of great assistance to private business planners.

The Office of Business Economics has become the oracle to the question, "How is business?" Its basic indices are used by economic prognosticators and planners with greater reliance than ever before. Government, labor, and business can now plan for tomorrow without relying on the divining rod approach of yesterday. The story depicted by these economic statistics dramatically demonstrates the strength of the free-enterprise system.

The Business and Defense Services Administration was set up in 1953 with 25 industry divisions to provide American business with up-to-date information and advice. Its Office of Area Development was established to cope with the problems of diversifying industry and relieving chronic unemployment. Mindful of the chaos in Government during World War II, the administration created the National Defense Executive Reserve, consisting of business and professional men who would occupy key posts in the event of an emergency.

President Eisenhower proclaimed 1960 as "Visit the U.S.A. Year," and it is expected that in 1960 there will be a 20-percent increase over 1959 in the amount of money spent by visitors to the United States. This money will help to relieve the balance of payments deficit, without the use of artificial controls.

To demonstrate the strength of our free-enterprise system and to achieve better international economic relations, the Office of International Trade Fairs has stimulated

U.S. participation in 83 oversea fairs in 28 countries since 1954. By this means, the administration, in cooperation with free enterprise, is helping sell more American products in previously untapped foreign markets.

The Republican administration has diligently administered the Export Control Act to assure an embargo on trade with Red China and to prevent strategic commodities from falling into the hands of the Communists.

CORPUS CHRISTI CITY COUNCIL RECOMMENDS PADRE ISLAND PARK NOW—RESOLUTION

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution by the City Council of Corpus Christi favoring the creation of a national seashore recreation area on Padre Island.

This resolution was passed June 22, 1960, in recognition that the need for establishment of Padre Island National Seashore "creates a public emergency."

The resolution was forwarded to me by the Honorable Mayor Ellroy King and was unanimously approved by Councilmen James L. Barnard, Joseph B. Dunn, Patrick J. Dunne, R. A. Humble, Gabe Lozano, Sr., and Councilwoman Mrs. Ray Airheart.

I ask unanimous consent that the resolution be printed in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A RESOLUTION EXPRESSING THE POSITION OF THE CITY OF CORPUS CHRISTI AS BEING IN FAVOR OF CREATION OF A NATIONAL SEASHORE AREA ON PADRE ISLAND; AND DECLARING AN EMERGENCY

Whereas Padre Island has remained relatively unchanged for centuries as an object of natural beauty; and

Whereas Padre Island is a vital part of our natural heritage and is unsurpassed in its form of natural beauty anywhere in the world; and

Whereas the Government of the United States of America has indicated an interest in preserving some part of Padre Island in its natural state for the enjoyment of present and future generations as a national seashore area: Now, therefore, be it

Resolved by the City Council of the City of Corpus Christi, Tex., this 22d day of June 1960, That this city council of the city of Corpus Christi, Tex., favors the creation of a national seashore area on Padre Island and that the position of the city of Corpus Christi as so favoring said national seashore area be expressed to the Members of the U.S. Congress, and that a copy or copies of this resolution be forwarded to and filed with the proper Federal authorities.

SECTION 1. The necessity for an expression from the elected representatives of the city of Corpus Christi, in an official session of said body, for the information of the Federal authorities concerned in the matter of creation of a national seashore area on Padre Island, creates a public emergency and an imperative public necessity requiring the suspension of the charter rule that no ordinance or resolution shall be passed finally on the date of its introduction and that such ordinance or resolution shall be read at three several meetings of the city council, and the mayor, having declared such emergency and necessity to exist, having requested the suspension of said Charter rule and that this resolution be passed finally on the date of its introduction and that this resolution take effect and be in full force and effect from and after its passage, it is accordingly passed and approved, this the 22d day of June 1960.

Attest:

ELLROY KING,
Mayor, the city of Corpus Christi, Tex.
T. RAY KRING,
City Secretary.

Approved as to legal form this 22d day of June 1960:

I. M. SINGER,
City Attorney.

FARM CREDIT IMPROVEMENTS

Mr. KEATING. Mr. President, the distinguished and very capable Senior Senator of Colorado [Mr. ALLOTT] has written a report on farm credit improvements under this administration, between 1953 and 1960. I hope this important activity will receive the widespread attention which it deserves. I commend the report to the Senate and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FARM CREDIT IMPROVEMENTS UNDER THE REPUBLICAN ADMINISTRATION—1953–60

(By U.S. Senator GORDON ALLOTT of Colorado)

As a young lawyer in the farm community of Lamar, Colo., many years ago, I saw firsthand the hazards which beset the farmer and have marveled since that time at the courage and self-reliance with which the American farmer approaches his problems.

Situations outside his power, such as drought, wind, and erosion, create havoc. Other conditions over which he has no control also occur. In these the farmer and rancher can rightly expect assistance from their Government.

Since the beginning of my service in the Senate, I have sought new legislation to simplify the national farm credit laws. Every means should be utilized to help the farmer help himself by alleviating the problem of obtaining suitable and adequate financing at the time it is needed.

Farmers and ranchers have traditionally demonstrated the ability to handle their myriad of problems with the least possible Government interference. An outstanding example of the Government working shoulder to shoulder with the farmer is the cooperative farm credit system under this Republican administration.

SUMMARY OF MAJOR ACCOMPLISHMENTS IN THE COOPERATIVE FARM CREDIT SYSTEM

Legislative accomplishments

Beginning with the Farm Credit Act of 1953, in the first year of the Republican administration, a series of laws have constituted major steps in increasing farmer participation in ownership, improving credit service, reducing Federal Government investment and subsidies in the system, and strengthening the system in other ways. Important features of each law are summarized below.

A. Farm Credit Act of 1953 (Public Law 202, 83d Cong):

1. Established congressional policy of increasing borrower participation in ownership of the Federal Farm Credit System.

2. Again made the Farm Credit Administration an independent agency in the executive branch of the Government.

3. Improved coordination through changing the basic organization of the Governor's staff.

4. Increased farmers participation in the management and control of the Farm Credit System through establishment of the Federal Farm Credit Board and through an increase in the elected members of the district farm credit boards.

5. Provided for increased decentralization and for delegation by the Farm Credit Administration to the Federal land banks and the production credit corporations (FICB's after January 1, 1957) of certain powers and duties of the administration over the Federal land bank associations (formerly national farm loan associations) and the production credit associations.

The 1953 act was the foundation for the subsequent laws. It restated the objectives of the cooperative system, and directed the Federal Farm Credit Board to make recommendations of means for carrying out these objectives. The following acts were based on recommendations made by the Federal Farm Credit Board.

B. Farm Credit Act of 1955 (Public Law 347, 84th Cong.):

1. Federal land banks:

(a) Loan service of land banks to part-time farmers was expanded; more than 30,000 loans amounting to about $160 million were made to part-time farmers through 1959.

(b) Permitted land bank loans to be closed on the basis of appraisals by land bank designees.

(c) Eliminated the restriction that loans to farming corporations be limited to livestock operations so that land banks may make loans to closely held or family-type farming corporations. Loans totaling about $24 million were made to 387 such corporations through 1959.

(d) Increased the land bank loan limit from $100,000 to $200,000. Since the 1955 act about 777 loans were made for amounts exceeding $100,000.

2. Production credit associations:

(a) Authorized the production credit associations to pay dividends on class A (investment) stock without requiring like dividends to be paid on class B (voting) stock.

(b) Removed restrictions on guarantee funds of production credit associations, thereby giving the associations more freedom in the use of their capital funds to meet the credit needs of their members.

3. Banks for cooperatives:

(a) Provided a plan under which the borrowers from the banks for cooperatives will gradually acquire ownership of the banks and retire all Government-owned stock in the banks.

(b) Provided for retirement of Government-owned stock in the banks through quarterly stock purchases by borrowers and from net savings of the banks.

(c) Reorganized the Central Bank for Cooperatives and provided for election by its borrowers and by district banks for cooperatives of three members of the seven-member board of directors. Directors not so elected are appointed by the Governor.

C. Farm Credit Act of 1956 (Public Law 809, 84th Cong.):

1. Merged the production credit corporation in the Federal intermediate credit bank in each farm credit district, thereby simplifying the district organization and effecting a saving in operating costs.

2. Provided a plan under which production credit associations will gradually acquire ownership of the credit banks and retire all Government-owned stock in the banks.

3. Authorized the distribution of credit bank earnings on a patronage basis to the production credit associations and other financing institutions (OFI's). Patronage dividends must be paid in stock (to production credit associations) or participation certificates (to OFI's) as long as there is Government capital in the banks, but thereafter such dividends may be paid in cash.

4. Authorized each district bank to borrow from and lend to each of the other district banks.

5. Authorized the credit banks to discount or purchase loans with maturities up to 5 years.

6. Broadened the purposes for which production credit association loans may be made.

7. Removed the credit banks from budget control under the Government Corporation Control Act, effective January 1, 1959. This gave the credit banks the same authority as the land banks and the banks for cooperatives to expend corporate funds without regard to certain restrictive statutes.

D. Farm Credit Act of 1959 (Public Law 86–168, 86th Cong.):

1. It transferred from the Farm Credit Administration to the Federal land banks responsibility for making appraisals in connection with Federal land bank loans. The designee program was retained but the requirement of a second appraisal was repealed. It transferred land bank appraisers from the Farm Credit Administration to the land banks, except that certain appraisers were retained by the Farm Credit Administration on the staffs of the Chief Reviewing Appraisers to be known as farm credit appraisers.

2. The 5-percent interest rate limitation on farm loan bonds was repealed.

3. The $200,000 maximum loan limit applicable to land bank loans was repealed but loans exceeding $100,000 continue to require Farm Credit Administration approval.

4. The face amount of a land bank loan may exceed 65 percent of the appraised normal value of the farm by the amount of stock which is paid for out of the loan.

5. The names of the national farm loan associations and the secretary-treasurers of such associations were changed to "Federal land bank associations" and "managers" respectively.

6. The Federal land banks were authorized to make unamortized or partially amortized loans under rules and regulations issued by the Farm Credit Administration.

7. The status of employees of the farm credit banks was clarified and employees of the district banks are exempt from the provisions of civil service laws and rules and regulations and various other laws relating to Federal employees.

E. Other legislation:

1. Banks for cooperatives:

(a) Authorized the Central Bank for Cooperatives and regional banks for cooperatives to issue consolidated debentures.

(b) Enlarged the Board of Directors of the Central Bank for Cooperatives to 13 members.

2. Federal land banks (Public Law 55, 84th Cong.): (a) Authorized Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

3. Developments and improvements in loan service: Many improvements in credit service resulted from the foregoing legislation. The developments and improvements listed below are partly the result of and partly in addition to the authorities and changes provided in the legislation.

(a) Credit extended reached peak levels. Total amount loaned by all banks and associations, excluding interagency loans and discounts, increased from $2.2 billion in 1953 to $4 billion in 1959. Loans outstanding December 31 increased from $2.2 billion to $4.4 billion during the same period.

(b) The total volume of bonds and debentures issued, the principal source of funds used in making loans, reached peak levels, increasing from $1.4 billion in 1953 to $3.3 billion in 1959. This period provided a good test of the ability of the banks to market their securities under varying conditions ranging from recession and credit ease to high levels of business activity and credit restraint. No applicants were denied loans because of a lack of funds during this period.

(c) The making and discounting of intermediate-term loans for capital purposes such as machinery, farm improvement, and foundation livestock were tried out experimentally in 1954 and approved on a permanent basis in 1956. By June 30, 1959, such loans had grown to a total which constituted about 12 percent of all loans held by the Federal intermediate credit banks.

(d) In 1956 production credit associations, on an experimental basis, began entering into agreements with purchasing cooperatives to help finance their members when buying supplies. Such arrangements have now been made with hundreds of supply cooperatives and a number of independent supply dealers in several farm credit districts.

4. General operating improvements:

As in the case of developments in loan service, improvements in other phases of operations have resulted partly from the legislative changes and partly from administrative action.

(a) In accordance with the 1953 act numerous delegations of authority have been made by the Farm Credit Administration to the Federal land banks and to the production credit corporations (and Federal intermediate credit banks since they were merged under the 1956 act). These delegations have had the effects of streamlining operations and reducing the personnel required in supervision of the system.

(b) Although the work has increased, indicated by a doubling of the total loan volume outstanding, substantial reductions in personnel employed have been made in both the Farm Credit Administration, the supervisory organization, and the banks and associations supervised.

(c) Major adjustments of standards used in appraising farms for land bank loans, in order to adapt loan policy better to changing agricultural conditions, were made in 1954 and 1958.

(d) Although substantial amounts of Government capital in the banks and associations were repaid to the Treasury, their total net worth was increased:

[Millions of dollars]

	Dec. 31, 1953	Dec. 31, 1959	Change
Government capital	277.2	219.2	−58.0
Farmer capital	185.4	336.4	+151.0
Surplus and reserves	531.9	650.2	+118.3
Total net worth	994.5	1,205.8	+211.3

THE GENESIS OF COMMUNISM

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a lecture entitled "The Genesis of Communism," delivered at Gonzaga University in Spokane, Wash., by the Reverend Francis J. Conklin, S.J.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

THE GENESIS OF COMMUNISM

During our discussions of the philosophy of Karl Marx we purposely abstained from any detailed analysis of the fascinating aspects of Marx's careers as a journalist and as an organizer of the workers of the world. Now that we have completed our study of his formidable, integral philosophical system, these more prosaic aspects of his life can be understood from the proper perspective—both the fiery tirades of the young Marx denouncing Prussian autocracy and the often pathetic attempts to lead the proletariat, which consumed many hours of the mature genius.

From 1841 to 1843 Marx worked as a journalist. Three problems dominating his every waking hour were: censorship in Prussia; the inequitable land distribution of the Prussian Junkers; and a quite private and personal obsession with Russia as the most reactionary of all governments. This newspaper period abruptly terminated through the rather thinly veiled intrigue of the Czar's agents and Marx fled to exile in Paris.

Wilhelm Weitling, the first person to give a clear stimulus to the organization of German workers and the leading force in uniting labor and the Socialist movements in Germany, met Marx during this Parisian exile. Weitling had formed the League of the Just composed of German artisans, but not true proletarians. The members of the league were skilled craftsmen such as would originally have been claimed by the AFL rather than the CIO and we shall have further occasion to refer to this league in connection with the commencement of the international labor movement.

Another gentleman whom Marx knew in Paris at this time was Proudhon, the father of anarchism. The ceaselessly integrating Proudhon assimilated ideas from all quarters without stopping to pay tribute to any particular thinker. Unquestionably, Proudhon was impressed with Marx's exposition of Hegel, but being a Frenchman, Proudhon had a mind of his own and little patience with the Teutonic abstractions which are Hegel. After Proudhon had passed to his reward, Marx belittled Proudhon's understanding of Hegel as a failure to penetrate the mystery of scientific dialetic, and a sharing in the illusions of speculative philosophy. Marx was indebted to Proudhon because Proudhon's interest in economic factors spurred Marx along a road of thought Marx had entered upon before leaving Germany, and which would eventually terminate at economic determinism.

The Marx-Proudhon friendship was certainly of short duration and their estrangement was in no little part due to Proudhon's frankness and Marx's need to reign alone. The irreconcilable break occurred when Proudhon published "La Philosophie de la Misere," in which the evidence of a practically assimilated Marxist Hegelianism was overwhelming. Marx replied with the cannonade: "Misere de la Philosophie," in which he demolished a straw Proudhon because the latter was not abstract (as a German would be in analyzing the social and economic order). These wounds never healed and we will find their infection spread to Proudhon's anarchists locked in mortal combat with the Marxists both within and without the First and Second Internationals.

During this Parisian exile Marx also met Bakunin, the Russian prince who subsequently gained fame as a practicing anarchist who not only preached, but practiced terror and violence.

Finally, Marx met Engels at this time. We have deliberately avoided placing any stress upon the role of Engels prior to this lecture because Engels was not the thinker that Marx was and Engels' writings can easily mislead the unwary by their very clarity. Without doubt Engels was a very talented man and facility of speech was not the least of his gifts. A quick check of Engels' writing will show that he starred in the field of what we might call applied philosophy—especially the pseudoscientific. But the real thinking was done by Marx. And Engels' philosophical endeavors to bolster Marxism come off second best. The classical example of this comes in Engels' chief philosophical work: the Anti-Dühring ("Herr Eugen Dühring's Revolution in Science"), in which Engels arrayed a host of pseudoscientific arguments but missed the whole point of Dühring's attack on dialectical materialism. (Dühring had questioned the legitimacy of transferring Hegel's idealistic concepts to matter and using them to explain the motion of material beings in a philosophical system that rejects all the spiritual characteristics which render the dialectical thought process possible for humans).

In January 1845, Marx was expelled from Paris and moved on to Brussels, contacted the League of the Just once again, and joined with the Just to help form the Communist League. The declaration of policy of the Communist League, published in 1848, would subsequently gain international fame as the Communist Manifesto. But, note: Marx's Manifesto had absolutely no influence upon the world of 1847 nor the European revolutions of 1848. These uprisings were political in origin and had been brewing ever since the Congress of Vienna in 1815, and/or the unrest in 1832. Marx neither started them nor determined their outcome in the slightest degree. However, true Communists pride themselves on their revolutionary heritage (e.g., in France you will hear the slogan "We are the sons of Robespierre") and for these romantic revolutionaries the Manifesto receives credit as the spark which ignited Europe in 1848. It didn't.

In 1848, Marx migrated rapidly from Paris to Cologne, because the Rhineland stirred with a certain freedom of the press. Marx savored this new freedom in his homeland until the irresistible forces of reaction inevitably triumphed. After winning a sort of moral victory in the famous Cologne trials (issue: Freedom of the press), Marx returned to exile in Paris and eventually to London. In his hours of repose in London Marx assimilated a profound lesson from the Europe of 1847–49: the political revolutions were preceded by an economic depression.

The 1850's were years of golden promise and prosperity. The Communist League split into warring factions (each claiming to have just returned from Sinai with all the answers). Marx spent his days writing for the New York Tribune (London correspondent); in writing "Capital"; and publishing a few smaller works which the prophetically minded might have discerned as straws tossed into the wind.

Perhaps the most important new persons in Marx's life at this time was the brilliant Jew, Ferdinand Lasalle, the down-to-earth organizer of the German proletariat. Unfortunately for Marx's peace of soul, Lasalle was not an automaton and had no intention of letting Marx run the entire labor movement and take the entire credit. Lasalle classified himself as a Marxist—but: there were theoretical chasms separating master and disciple. Lasalle was a nationalist. He believed that the state expresses the spirit of the people. Marx had been, was, is, always will be an internationalist. ("The worker has no country.") And although Lasalle was a brilliant organizer, able to bring a revolutionary and proletarian consciousness to the masses, Lasalle lacks the internationalist vision of a true Marxist. In a word, Marx finally dismissed Lasalle as a reformist.

On September 28, 1864, in St. Martin's Hall in London, the International Workingmen's Association was formed. Almost 100 years later the romantic name of the First International evokes a sympathetic response from the downtrodden throughout the world: never has any human organization promised mankind so much.

Marx delivered the inaugural address for the First International, but despite his prominence on the organizing committee and the adoption of some of his ideas, Marx's influence in the International was not as extensive as is sometimes imagined. As a matter of fact, this First International embraced almost every conceivable shade of political and/or economic reformism. Disagreement was the soupe de jour from the outset.

The first real crisis for the International came in 1870 with the outbreak of the Franco-Prussian War. In general, the International was anti-French and pro-German, yet advocated an honest peace for France. This odd combination excellently illustrates the antithetical compromises which permitted the continued existence—or postponed the inevitable collapse—of the First International. However, on March 18, 1871, a city revolution triumphed in Paris and the famous Commune swept into power.

The Paris Commune consisted of 92 elected members. Of this group, 17 were members of the First International. By an adroit public relations campaign the International vociferously supported the Commune and gained the credit and blame for what the Commune did. The iron fist was apparently necessary, or at least felt to be desirable by those directing the Commune's struggle to consolidate its power. Paris was drenched with blood. Whatever stability the Commune achieved was soon swept away when in May 1871, the troops at Versailles swept into Paris and annihilated the Commune.

Back in London, Marx set pen to paper to extol the workingman's Paris in "The Civil War in France," as the harbinger of a new society. Guilt by association began to plague the International after the blood red days of the Commune. The English delegates found it expedient to resign in horror over the excesses in Paris, because they could not support a revolution which required dirty hands.

Finally, in 1872, the inevitable transpired (sic evolvere Parcas). At The Hague, Marx, supported by Germany, Switzerland, and England fought the anarchist Bakunin, who had the support of Belgium, France, and Spain. Marx won a Pyrrhic victory and moved the general council to New York. In Marx's hour of triumph Bakunin was excommunicated on two counts: (1) Bakunin's alliance (an unorganized group of radical revolutionaries) was allegedly a secret society opposed to the International; (2) Bakunin failed to fulfill a promise to translate Marx's "Capital" into Russian. Finally, the First International sputtered to an inglorious end in Philadelphia in 1878.

One other event in the life of Marx is worthy of attention. Alarmed by the uprisings of 1848, the Prussian State had passed the Allegemeine Gewerkordnung Deutschebund, a law forbidding the combinations of labor. During the late sixties and seventies this law was repealed and ignored, but its spirit remained to haunt the German labor movement. The fears of the Prussian authorities did not lack foundation; the European workers were being organized and led by the intellectuals, and these new leaders were committed to programs which stopped little short of anarchism. The militant unionists denounced compromise or reforms of any sort. Engels was a vociferous spokesman for the radicals of all shades of red, and he roundly denounced Kautsky in Germany, Turatti in Italy, Jouhaux in France, Gompers in America, Thomas in England, etc., because these latter reformists betray the workingman by teaching that strikes are an instrument of reform and not of revolution.

In this atmosphere, representatives of two important German labor movements met at Totha in 1875. The German Social Democrats were controlled by Marx's men, Bebel and Liebknecht; the General Union of German Workers was Lasalle's group. The joint program adopted here urged the unionists not to be practical and seek for reforms, but to be political. Business unions are of no use to the proletariat because social insurance, wage and hours legislation, child labor laws, etc., only serve to delay final victory and revolution. Such palliatives sap the strength of working class and erode the keen edge of revolutionary fervor. Marx bitterly attacked the joint effort in his book "The Critique of the Gothic Program" on the pretext that both his own men and Lasalle's made too many concessions to the Prusso-German state. More probably his feelings were hurt because his program was not adopted without question.

On March 14, 1883, Karl Marx passed to his eternal reward, and in conclusion I believe that we should pay a few words of tribute to his genius. At the outset we stated that we would not offer a "refutation" of Marx's system. True, Marx did deny the existence of God and he denied many other Christian truths. So what else is new?

When one approaches many "refutations" of Marx's analysis of capitalism we are reminded of the reasoning behind corporate grants to liberal arts colleges. Certain stockholders have sought to enjoin these grants as ultra vires on the part of the directors, etc. The majority of U.S. courts have denied equitable relief on the grounds that corporations are benefited by liberal arts colleges which emphasize the dignity of the individual (and the right of corporations to own property). In a word, economics sometimes colors the best value judgments.

Marx's predictions concerning the Gotterdamerung of capitalism have not been fulfilled. Perhaps this makes him a false prophet. Or could the reason partly be that Marx has not so much been proven wrong because capitalism has triumphed, but that the capitalism against which Marx inveighed has changed its spirit and, possibly, its very nature?

The capitalist mode of satisfying material wants through the organization of a staggering technological knowledge seems animated by a spirit of acquisition, competition, and somewhat enlightened self-interest. Innovations in a capitalist society are carried out through borrowed money so that capitalism cannot exist without credit—a parody of Christian faith and hope.

Marx had no quarrel with the capitalist method of production. His chief attack is against the spirit which permeates the capitalist system. He called the new rich a race of undertakers—men who had made their own fortunes, who prided themselves in their own success and despised the poor and the weak.

The model society which Marx proposed to substitute for the capitalist system is every bit as utopian as those of Proudhon, Fourier, or Owen—all dismissed by Marx as visionaries. Marx's proposal was made viable by his vigorous description of the exploitation and misery resulting from the progress of the capitalist system as it prepared the way for the inevitable triumph of the dictatorship of the proletariat.

The pragmatic basis upon which Marx bedrocked his speculations was a world in transition. Particularly in England the prosperity anticipated at the close of the Napoleonic wars had not dropped from the skies and amidst the postwar confusion and misery England tried to adjust herself to a system of economic liberalism in which prosperity was expected to arise—like Athena, full grown—from the natural forces of the market. Marx regarded the proliferation of new machines as a method for enslaving those of slight muscular power because the labor of women and children was the first thing sought by the capitalists who used the new machinery. Labor was, of course, a commodity, but not such a stable commodity that it could be stored and conserved until such time as the market would require it. All of this we have previously discussed in detail.

Intimately associated with the very air which men breathed in the 19th century was Giovanni Vico's intuition of the inevitability of progress. Imbued with this spirit, Marx had faith—faith that the workingman as a class-conscious proletarian would scorn all gains in these material conditions and in his individual status as a trade unionist to face an uncertain future for the sake of the dictatorship of the working class. Of course, when Marx wrote the Manifesto, the workingman had very little to lose but his chains. And although 100 years later we can

perceive all the evils which rose with the new economic system of capitalism when the world had forgotten (or never really assimilated) the simple truth that the rich have duties, as well as rights.

Our conclusion: Capitalism has not defeated Marx. Marx defeated himself by forcing capitalism to change ethically and morally—as well as technologically.

Lenin stands out in the annals of Marxism as the great organizer—the doer. However, Lenin did not lack theoretical ability and any discussion of Marxism must touch upon Lenin's three great contributions: (1) his concept of the role of the party; (2) his doctrine of imperialism; (3) his philosophical defense of materialism.

Even during his years of repose and exile, when he was not pressed with the problems of fomenting a revolution, Lenin did not achieve the intellectual stature of Karl Marx. In fact, Lenin ventured into philosophy only when he absolutely had to—or so it would seem from his writings.

The problem which Lenin faced in philosophy was the existence of transempirical concepts in the science of physics. Certain concepts used in physics cannot be reduced to sense experience. For example; "cause," "number," "time," "space," etc., all have use and a certain established validity in the science of physics. But these "things" cannot be directly reduced to sense experience.

Physics has always been the darling of the positivists and the materialists. Ergo: if transempirical concepts are valid in physics, other transempirical concept (God, truth, immortality, etc.) may also be valid.

Ernst Mach, the great physicist, tried to solve this dilemma. His premises were that science alone can give true knowledge. Accordingly, he distinguished those things which may be proved scientifically as facts, and those things which are unverifiable constructs. According to Mach, science achieves its goal by describing phenomena and eliminating subjectivity. Only sensations give elements of knowledge because only sensations can provide real data universally verifiable under controlled conditions by people in distant parts of the world. In addition to directly verifiable sensations there are auxiliary concepts such as cause, number, time, space, etc. These auxiliary concepts, the transempirical concepts, are points of reference. In themselves, they designate nothing but are simply useful to organize facts.

In reality Mach is attacking determinism in the physical sciences. In a determinist view, everything happens with absolute necessity, somewhat similar to the conclusions of general principles. For the determinist, the world works like Euclidean geometry, where all is necessary, immutable, eternal. In attacking determinism, or "causality and necessity" as auxiliary or transempirical concepts, Mach has struck the death blow to all materialism because if determinism may be dismissed, so must all materialism.

Of course, Marxism, being dialectical, supposedly opposes mechanistic materialism. However, any mechanism must be determined. And in Marxism, the determinism is refined and stabilized by the laws of the dialectic.

Expressing this problem in somewhat similar terms: If determinism is out, so is all materialism because in a materialist psychology, the world is reflected in the mind. If the world is undetermined, so is the mind. Thus, the undetermined world reflected in the undetermined mind means: (1) there is no cognoscible conformity or truth relation between mind and object; (2) historical materialism and economic determinism is unknown and unknowable; (3) Marx is wrong.

Mach and Avanarius were the chief proponents of this attack against all materialism, but their reasoning (respected because advanced by eminent scientists) strikes home with special force against dialectical materialism. For Mach, knowledge is not objective, nor is matter primary over spirit. Such concepts as space and time are quite relative. These doctrines, coming from so famous a physical scientist as Mach, shook the Marxist camp to its foundations. Bogdanov and Lounatarsky, two minor Marxists, went so far as to assert that to save materialism, it may be necessary to appeal to idealism. In other words, to save materialism and materialist determination one must assert the existence of the "things" signified by the transempirical concepts.

Lenin rose as one man to the defense of Marxism in his book: "Materialism and Empiriocriticism," published in 1909. Lenin denounces Mach as an idealist, but the exposition of Marxist epistomology begins to resemble a broken record:

Nature exists before man, and therefore, prior to man. This makes mind a product of matter. Before man existed, time, space and causality existed, not in the sense of Kant's categories, but as real things. Therefore, when Mach states that bodies are complexes of sensations, Mach is a subjective idealist. For the true materialist, thought is a function of the brain. Therefore, we know things as they are, quite contrary to the Kantian ignortum x. The thing in itself is not unknown and unknowable. Both agnosticism and idealism are wrong.

Things exist independently of us and there is no difference between phenomena (i.e., what we see) and the thing as it actually is in itself. The difference lies in what is known and what is not known. Likewise, knowledge grows dialectically and constantly becomes more and more complete. What is reflected in our thoughts exists independently of us. This means that objective truth does exist. Some simple truths, few in number, are objective. But most of our knowledge, as any person of experience can tell you, consists in a cautious grouping of partial terms, which, in terms of the dialectic, is a constant progress to a new and higher synthesis.

Practice remains the test of truth. This is not an absolute relativism but what might be called a relative relativism. The constant refining of partial truth occurs relative to a given economic and historical context, etc., etc. Economics colors all the judgments—the rest should be familiar to you. Thus, Mach fails and dialectical materialism returns to the throne of respectability.

The next point we must consider is Lenin's doctrine of imperialism. The 19th century was a period of great expansion for Britain, France, Holland, Russia, Italy, Germany, Belgium, Japan and the United States. All wanted a slice of the cheese. Great Britain got the lion's share: India, most of Africa; Cyprus; Hong Kong; the Yangtze area of China; Persia; Afghanistan; Tibet. France acquired the French Congo; the Ivory Coast; Madagascar; Algeria; Tunis; Morocco; Indo-China. Holland settled for Indonesia and Sumatra. The United States pushed the Monroe Doctrine to protect South America and unwittingly sowed the seeds of "Yankee Imperialism." Belgium settled for the Congo; Japan for Korea; Russia for Manchuria; Germany for South West Africa; the Camaroons; East Africa; and in China, Shantung. (Of course, the jury is still out on the final evaluation of the moral, economic and social benefits and/or dire consequences of 19th century imperialism.)

In 1902, John A. Hobson published a booklet: "Imperialism," in which he emphasized an internal contradiction within the capitalist system: The rich are constantly growing richer, the poor, poorer. Neither rich nor poor can afford to buy the products of the capitalist economic system, because the poor have no money and the rich cannot consume enough to keep the system going. The rich, of course, are compelled to hoard the money they cannot spend and idle capital depreciates. For this reason, an autodynamism permeates the capitalism system, forcing its chosen and specially blessed few to invest in new markets overseas. Since the affluent control the wealth, and hence the politics, of the capitalist country, each capitalist nation is forced to seek colonies or "spheres of influence." Conflicts and wars are inevitable.

Without so much as a "by your leave" Lenin adopted Hobson's theories in his book: "Imperialism, the Highest Stage of Capitalism." In Lenin's view, World War I was an imperialist war and an inevitable stage in capitalism. The proletariat, naturally, cannot profit from the imperialist war and should turn to civil war in order to foment a worldwide revolution. Lenin here remains true to Marx. The proletariat is international ("The worker has no country"). German workers, French workers, etc., should refuse to support the war effort because proletarian solidarity is deeper than the nationalistic solidarity forged in the heat of Ypres, Chateau-Thierry, etc.

However, Lenin must meet and answer a primary objection: Why was it that although Marx prophesied the imminent rising up of the proletariat, nothing happened? Lenin explains this by blaming trade unionism for deceiving the proletariat after 1871. In capitalist countries after 1871 the standard of living gradually crept upward, due partially, to the exploitation of the backward countries. This rising standard of living explains why the revolution did not occur in the most technologically advanced countries. Lenin insists that the "trade union proletarianism" is a product of a bourgeoise mentality. He castigates it as a loss of class consciousness; a social chauvinism; a loss of interest in class warfare; a desire to share in imperialist profits. Lenin believed that World War I would cure this epidemic of trade union proletarianism and reawaken the class consciousness which will produce the world revolution.

Marx, as you will recall, penetratingly pointed to the need for capital to accumulate in a capitalism system. Lenin goes farther and shows how accumulation leads to national monopoly. From 1860 to 1870 monopoly began to become an appreciable modern economic force; from 1870 to 1900 monopoly grew to full flower; after 1900 the combination of monopoly and politics constitutes a sort of state capitalism. Planning by the monopolists, supported by the political power of the state, removes the anarchy of production which so disturbed Marx. However, a national monopoly in continental Europe cannot remain stagnant. A soundly planned production scheme in the home country provides a secure basis in the struggle for international dominion and monopoly.

Although Kipling speaks of carrying the white man's burden, and there are spots which shall be forever England, the basic economic fact is that a struggle for political power in backward countries is necessitated by the sated market which monopoly capitalism enjoys at home. Such an economic struggle motivating the political, evidences a profound contradiction within the capitalist system. By its very nature the capitalist system must expand internationally, yet national capitalism or monopoly with its high tariff barriers, etc., makes the natural growth of capitalism impossible. Imperialism alleviates this situation for a short time because the export of capital is a temporary relief of the surplus at home. But this relief is only temporary because the new surplus created in the backward countries undermines the parent's monopoly.

Briefly: Capitalism metaphysically requires a profit motive; constant expansion for profit keeps capitalism alive. Inevitably expansion must someday stop. When this crisis arrives

the Marxist solution will prevail because by destroying private ownership and the greed for profit the capitalist system itself is destroyed. The new dialectic exists between the imperialist capitalist nation and the backward, proletarian nation. The backward proletarian nation combines two features that are of extreme importance. By its nationalist tendencies the backward nation hates the Western World and any talk of imperialism. Yet, by its need to catch up and become an industrialized or modern nation, the backward nation is in love with the West and with what the West has accomplished.

In 1960 the Leninist argument runs: Oppressed people are the hope of the future. In the 19th century the industrial proletariate in the most technologically advanced countries were the oppressed people upon whom Marx relied. In the 20th century the oppressed proletariate in backward nations have now come to be the hope of the future. Political revolution remains impossible in stabilized and advanced countries because of the high standard of living achieved through exploitation of the backward countries. Proletarian revolution remains imminent in all backward countries, especially since the Second World War, because the economic injustice of imperialism cannot withstand the rising tide of nationalism. For the Marxist-Leninist: the road to Paris lies through Peiping.

Khrushchev insists that the only way for the backward countries to catch up is to follow Russia's Socialist example; i.e., bypass capitalism and directly introduce "socialism." Consequently, Leninism skillfully unites both fear and hatred of the West (expressed in nationalism) with the promise to catch up and overtake Western industrialization (the envy of the backward nations). At the Second Congress of the Third International in the 1920's Lenin changed the famous "Workers of the world unite" to "Proletarians of all countries and oppressed nations unite."

The Leninism permeating Khrushchev's domestic and foreign policies are evident: In Brazil where Torgbraz offers crude oil drilling equipment and refining equipment to the national oil company; in India, Russia has granted $270,000 worth of credits and the Bhilai steel mill; in Ceylon $29 million from China in exchange for rubber; in Afghanistan $145 million for arms, hydroelectric power, street paving etc.; in Egypt the Aswan Dam; etc., etc. You have to understand these deals in the proper perspective: Even if Communist China were to be free tomorrow, it would be economically dependent upon Russia for years to come, because all the new machines in the Chinese economy are Russian and all parts and replacements must be Russian. A dependent economy cannot be rebuilt overnight.

Turning away from these fascinating digressions: we must mention the fascinating instrument of Lenin's political genius: the party. Marx has overshadowed Proudhon, St. Simon and other social reformers because Lenin developed the irresistible political tool of the Communist Party. The nature of this party can best be understood in its historical context.

For Lenin the immutable laws of historical development were fine things to discuss, but more important was the development of a revolutionary consciousness. A revolutionary consciousness was best achieved by forming a party—an elite—a vanguard of the most class-conscious group. A small, underground, conspiratorial organization should bring the revolution to the masses. Lenin's "proletarian discipline" of bringing the revolution to the masses contrasts sharply with Marx's teaching regarding the forces of economics which are supposed to produce the inevitable unaided. In Lenin's view, the revolution must be brought to the people. Thus, trade unionism is not a form of true socialism (and/or communism) because those who belong to trade unions are themselves reformers. They seek to mutate the capitalist order and sustain or prolong capitalism's catabolic processes. But trade unionists lack purpose because they are not bent upon the annihilation of capitalism.

The same is true of the Bernstein revisionists who succumbed to the plausibilities proffered by Edward Bernstein in 1889 and believed that there is no need for the violence so implicit in Marx's statements. Lenin's party cannot tolerate trade unionism nor "reform Marxism" or "evolutionary socialism."

In Russia, the Marxists were part of the Social Democratic Party. Plekhanov (1856–1918) is commonly regarded as the father of Marxism in Russia. His program was to ignore the peasant and seek to advance an ordered revolution. In other words, Plekhanov advocated the development of a feudal stage; a building up of capitalism; and, finally, the triumph of socialism. In this scheme, middle-class democracy was the next logical step for semifeudal Russia. (It is worthy of note that Marx indicated that socialism might be developed directly in some countries without passing through the stage of capitalism development, but this fact was ignored by the Social Democrats around the turn of the century.)

Lenin's get-up-and-go attitude toward bringing the revolution to the workers contrasts sharply with what he called revisionism or waiting for society to develop according to classic Marxist theory. In the year 1902, Martov and Axelrod led a faction of the Social Democratic Party maintaining that the party should be a mass organization. They wanted the Social Democrats to be an open and large party, bent upon establishing middle-class democracy in Russia and attaining its objectives by legal action. Opposed was Lenin with his concept of the party as a small, dedicated elite, bringing revolution by any means at their disposal. As you know, Lenin (the Bolsheviks) won.

While this struggle continued within the Social Democratic Party, Davidovich Bronstine (Leon Trotsky) was coming to the fore as an important figure in the Russian revolutionary movement. Trotsky was neither a Menshevic nor Bolshevik. However, he was shrewd enough to diagnose the nature of Lenin's party and made a prophecy which subsequent events proved to be a very shrewd insight. Trotsky prophesied that in Lenin's type of party: "The party organization will replace the party itself; the central committee will replace the party organization; and one dictator will replace the central committee"—democratic centralism, with a vengeance.

Trotsky is one of the truly tragic figures in history. Everything that Trotsky said was true; everything he did was wrong—and when the chips were down Stalin triumphed over him ruthlessly.

Prior to World War I, the program proclaimed by Trotsky had three points: (1) Establish political democracy in Russia with the help of the peasants; (2) by a process of concurrent or permanent revolution establish proletarian hegemony over the peasants (which Lenin denounced as undemocratic); (3) once the peasants were disposed of, promote the international proletarian revolution.

Point 1 was the program adopted by Lenin to sweep into power in 1917 on the slogan of "Peace, Land, Bread." Point 2 was the precise method whereby Stalin consolidated his power in the latter twenties and early thirties by dekulakization. Point 3 Stalin denounced as vulgar cosmopolitanism—the first of the truly great heresies. Yet in 1936, when socialism had triumphed in Russia, Stalin piously announced that the cruel, harsh dictatorship of the proletariat must continue during the period of capitalist encirclement—that is, until the third step in Trotsky's program had been adopted.

By the "proletarian hegemony" of the Communist Party over the masses and the "democratic centralism" which gave the chairman control of the party—Trotsky's prophecy was fulfilled verbatim in the person of Joseph Stalin. There were, of course, objectors—Trotsky, perhaps the most vociferous. In the "Revolution Betrayed" Trotsky denounced the Thermidorian reaction which had set in when Stalin succeeded Lenin—just as the French Revolution ground to a halt when Robespierre was ousted in July, the month of Thermidor. But the long arm of Stalin triumphed over all dissenters—over Trotsky by a bloody ax in Mexico in 1940.

The apotheosis of Lenin's party may be found described in Lenin's book, "The State and Revolution": "The dictatorship of the proletariat is in itself an instrument of power and suppression. Consequently, the dictatorship is not intended to be, nor can it be free and democratic. It must be despotic in stamping out the counterrevolution if it ever hopes to create a new economic and social order."

Marx believed that the workers were idealistic and would seek the benefits of communism and a rule of the proletariat in preference to the increased welfare benefits which the directors of capitalistic enterprises would be forced to concede. Lenin abandoned all illusions of idealism. By bringing the revolution to the masses he has forged a system of state capitalism, based, not upon economic but upon political determinism. The ownership of the means of production is scarcely a meaningful phrase in Lenin's new society because control of the army, police, and communications are what really matter. Lenin and his successors have inverted Marx and set Hegel back on his feet, by wagering their lives upon the simple principle that in a confused society a well-disciplined minority can seize power.

PROPOSED AMENDMENTS TO WAGE-HOUR STANDARDS

Mr. MUNDT. Mr. President, in view of the fact it appears the Congress will soon have before it legislation dealing with proposed amendments to the wage-hour standards in this country, I take this occasion to call to the attention of the Congress and the country a pertinent editorial appearing in the June 27 issue of Barron's Weekly. I ask unanimous consent that the editorial may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FALSE STANDARDS—WAGE-HOUR BILLS ARE A THREAT TO THE GENERAL WELFARE

In the frantic effort to block the nomination of Senator JOHN F. KENNEDY, much has been said (or whispered) about his religion, wealth and, most recently, his comparative youth (a presidential nominee, averred one Democratic hopeful with magnificent irrelevance the other day, "should be a man with a little gray in his hair"). Generally speaking, however, friend and foe alike have chosen to ignore what is, or ought to be, the most significant test of qualification for high office: a candidate's public record. By this uncompromising yardstick, if that is the word, even the Senator's stanchest adherents must suffer occasional qualms. For on an extraordinary number of issues—Algerian freedom, labor reform, the collapse of the summit—the Senator has taken positions which, in the light of subsequent events, reflect scant credit on his statesmanship.

Having returned to Washington after a triumphant sweep of the primaries, Mr. KENNEDY evidently is back doing business at the

same old stand. Specifically, he is seeking passage in the Senate of various amendments to the Fair Labor Standards Act, designed, among other things, to extend its provisions to several million additional workers and to increase the national minimum wage. Like so much other welfare legislation, the pending bill enjoys great political appeal; even the administration discreetly has objected not to its philosophy, but to its size and cost. Owing to such excessive caution, several basic precepts, of private enterprise and fair play alike, seem in peril of losing by default. For one thing, contrary to the plain intent of Congress in the past, the new wage-hour law would blanket workers with little or no linkage to interstate commerce. It not only would perpetuate discriminatory provisions already in effect, but also would establish a flock of new ones. Finally, in the competitive business climate which now prevails, it would run the grave risk of curtailing job opportunities and contributing to unemployment. Regardless of whether it wins votes, in short, the measure plainly will not serve the general welfare.

To judge by recent history, similar suspicions have begun to assail a growing number of lawmakers. For since it first was introduced last January, at the behest of the AFL–CIO, the bill has gone through a constant process of pruning and slashing. Originally it would have hiked the minimum wage in one fell swoop from the present level of $1 an hour to $1.25; in addition, it would have expanded coverage from 24 million workers to an estimated 32 million or by one-third. Under modified versions now making their way through both Senate and House, the goals have been scaled down sharply. The minimum wage would rise in three steps, not reaching $1.25 an hour until January 1, 1963. Coverage, moreover, would be extended to fewer than 5 million workers, largely in retailing. Even in their present form, however, the bills are repugnant to influential Members of Congress, notably the conservative chairman of the House Labor Committee. Whether or not they will be enacted into law remains to be seen.

Whatever the outcome, this is bad legislation. To begin with, owing to the tugging and hauling of various pressure groups, it is outrageously arbitrary in its impact. To illustrate, it would cover only gasoline stations which do a yearly volume of business totaling $250,000 or more, thereby discriminating in favor of the small operator and against large oil company chains. As to retail enterprises in general, those with gross receipts (exclusive of excise taxes) of $1 million or more are covered; all others are exempt. Rarely has a measure reeked so thoroughly of bias against efficiency and size.

At the same time it constitutes an unwarranted, and legally doubtful, Federal foray into realms traditionally reserved to State and local regulation. In its original draft, and as subsequently amended, the wage-hour law applied solely to enterprises "engaged in interstate commerce." Now it would cover all concerns affecting interstate commerce, a definition which, for the first time, make possible inclusion of the Nation's retailers. Here in truth is paternalism run wild. For as the National Retail Merchants Association persuasively argues, an individual store, regardless of ownership, sales volume, or size, is an essentially local enterprise, which serves a limited trading area and must be responsive to local economic conditions. To force such concerns into a national wage-hour pattern, especially one that is openly discriminatory, is to violate long-established ways of doing business. Such a course also must jeopardize job opportunities in retail trade.

The same threat, indeed, exists with respect to employment as a whole. True, the evidence on this point is scarcely overwhelming. A survey made by the Labor Department, seeking to appraise the impact of the latest rise in the minimum wage 4 years ago, is noncommittal. "We think it had an effect on employment," one official is quoted as saying, "but it's anybody's guess as to how much." The Department, however, records at least one instance—that of Puerto Rico, in 1945—where a minimum wage law helped throw people, especially in the needle trades, out of work. Moreover, it's worth observing that 1960 is not 1956. In the latter year inflation, fanned by a whopping settlement in steel and the Suez crisis, was an accepted way of economic life. Today, in contrast, rising industrial prices are noteworthy for their absence, competitive pressures are intense and unemployment, especially among the unskilled, relatively high. In such circumstances, higher wage rates for some are bound to mean fewer jobs for others.

On balance, then, the apparent benefits of the legislation, in purchasing power, welfare, and the like, are far outweighed by the probable costs. The whole episode thus is a sad commentary on an administration which, in this case as in others, has failed to take a firm stand on principle. It also is a clear-cut indictment of those who seek to put temporary political advantage ahead of the national interest. Higher living standards undoubtedly are desirable. However, as the postwar record suggests, they cannot be legislated into being. They must be earned.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUSH in the chair). Without objection, it is so ordered.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRODUCTION AND CONSERVATION OF COAL IN THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1555, H.R. 3375.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 9, after the word "shall", to insert "establish within the Department of the Interior an Office of Coal Research, and through such Office shall"; on page 2, after line 20, to insert a new section, as follows:

SEC. 3. (a) Any advisory committee appointed under the provisions of this Act shall keep minutes of each meeting, which shall contain as a minimum (1) the name of each person attending such meeting, (2) a copy of the agenda, and (3) a record of all votes or polls taken during the meeting.

(b) A copy of any such minutes or of any report made by any such committee after final action has been taken thereon by the Secretary shall be available to the public upon request and payment of the cost of furnishing such copy.

(c) Members of any advisory committee appointed from private life under authority of this section shall each receive $50 per diem when engaged in the actual performance of their duties as a member of such advisory committee. Such members shall also be entitled to travel expenses and per diem in lieu of subsistence at the rates authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for all persons employed intermittently as consultants or experts receiving compensation on a per diem basis.

(d) Service by an individual as a member of such an advisory committee shall not subject him to the provisions of section 1914 of Title 18 of the United States Code, or, except with respect to a particular matter which directly involves the Office of Coal Research or in which the Office of Coal Research is directly interested, to the provisions of sections 281, 283, or 284 of that title or of section 190 of the Revised Statutes (5 U.S.C. 99).

On page 3, after line 23, to insert a new section, as follows:

SEC. 4. The Secretary may appoint a Director of Coal Research without regard to the provisions of the Civil Service Laws, or the Classification Act of 1949, as amended. Section 107(a) of the Federal Executive Pay Act, as amended (5 U.S.C. 2206(a)) which prescribes an annual rate of basic compensation of $17,500 for certain positions is amended by adding at the end thereof the following paragraph:

"(23) Director of Coal Research, Department of the Interior".

On page 4, at the beginning of line 9, to change the section number from "3" to "5"; at the beginning of line 12, to change the section number from "4" to "6"; at the beginning of line 24, to change the section number from "5" to "7"; and on page 5, at the beginning of line 6, to change the section number from "6" to "8".

Mr. JOHNSON of Texas. Mr. President, this bill was cleared by the policy committee after a very thorough hearing before that committee. The distinguished Senator from West Virginia [Mr. BYRD] has been vitally interested in it, and has had a number of conferences with the leadership about it.

He appeared personally before the policy committee and attempted to demonstrate to us the benefits that would flow from enactment of the proposed legislation and authorization of the research and development program under it.

My friend, Tom Pickett, a former Member of Congress, who is now with the Coal Institute, has discussed this subject with me many, many times, as have representatives of the United Mine Workers. They all seem to be agreed on the necessity of legislation of this type.

Some questions were raised in the policy committee concerning the details of the bill, and I understand there have been some questions raised downtown. The Committee on Interior and Insular Affairs has attempted to meet the objections that were voiced in the veto of the bill last year. We trust now that the bill will enlist the support of not only the membership of Congress, but also the executive agencies.

The Senator from Utah [Mr. Moss] reported the bill and has been very active in supporting it and attempting to have it cleared for consideration, as has the Senator from Pennsylvania [Mr. CLARK], who has discussed the subject with me a number of times.

The senior Senator from West Virginia [Mr. RANDOLPH] has been greatly interested in the bill, and all Senators who are very familiar with the details of this great industry and the results they anticipate would flow from the proposed legislation feel that the earlier we act, the better it will be.

As Senators will observe, this is a House bill, and if we can pass it without any injurious or crippling amendments, we can send it direct to the President, and we hope the President will support it in the revised form, because it is my information that the bill has been revised in an attempt to meet the objections of the President. Is that correct?

Mr. BYRD of West Virginia. That is correct.

Mr. JOHNSON of Texas. Mr. President, I yield the floor. I shall watch the progress of the bill with great interest.

Mr. BYRD of West Virginia. Mr. President, H.R. 3375 is a bill which is of great importance to my own State of West Virginia and it is important to the entire country. Its purpose is to encourage and stimulate the production and conservation of coal through a program of scientific, technical, and economic research. This bill would permit the Secretary of the Interior to establish within the Department of the Interior an Office of Coal Research and to appoint a Director of Coal Research whose salary would be $17,500 per year. The Secretary of the Department of the Interior would be directed to develop, through the Office of Coal Research, new and more efficient methods of mining, preparing, and utilizing coal. The Secretary would be authorized to contract for research and such contracts could be with coal trade associations, coal research associations, educational institutions, agencies of the States and political subdivisions thereof.

Provision is made for the establishment of technical advisory committees composed of recognized experts in coal research, and such committees would examine and evaluate research proposals, research contracts, and research data. The departments and agencies of State and Federal Governments would cooperate with each other and with all other interested agencies, whether governmental or nongovernmental. Provision is made for the receipt of per diem pay for members of the appointed advisory committees when engaged in the actual performance of their duties.

Under this bill, all information, processes, products, and patents resulting from the program of research would be made available to the general public, except where the Secretary of the Interior would find it necessary, in the interest of national defense, to withhold it from the public. Both the President and the Congress would receive a report each year concerning the research activities conducted under the authority of the act.

The bill authorizes an appropriation not to exceed $2 million for the fiscal year beginning July 1, 1960, and it authorizes the appropriation for each following year of such sums as may be necessary to carry out the purposes of the act.

Mr. President, the poor earnings record of the coal industry, as reflected in the income-tax returns of all corporations engaged in bituminous coal mining, is indicative of the impoverished condition and ill health of the industry as well as the inability of the industry to finance the large amount of research and development work necessary to sustain the health and progress of modern industry.

From 1925 to 1953, the bituminous coal-mining industry experienced a net loss in 13 of the 27 years for which data are available, and in only 2 of those 27 years were good profits obtained. I call attention to the fact that 1,572 corporations engaged in bituminous coal mining in 1953 earned an average profit after Federal taxes of a little less than 3¾ cents per ton on the 350 million tons of coal which they minded. Viewing industry's earnings from another angle, it was found that the value, f.o.b. mines, of the total production of bituminous coal in 1953 was on the order of $2,247 million, from which the incorporated producers, who accounted for 80 percent of the production, realized a profit after Federal taxes of less than $13 million—or a calculated net profit of less than three-quarters of 1 percent on the gross value of the coal produced. It is doubtful that any other major industry, vital to the economy of the Nation, has experienced anything approaching the depressed financial condition of the coal-mining industry over the past quarter of a century.

Mr. President, I ask unanimous consent to have printed, at this point in the RECORD, a table from a 1957 report of the Special Subcommittee on Coal Research, House Committee on Interior and Insular Affairs, setting forth the net income and Federal income taxes of bituminous coal-mining corporations, 1917 to 1953, inclusive.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Net income and Federal income taxes of corporations engaged in bituminous coal mining as shown by income tax returns

[Money figures in thousands]

Year	Number of returns	Number reporting net income	Number reporting no net income	Net income of companies showing income	Deficit of companies showing loss	Net income or loss	Federal taxes	Profit or loss (—) after Federal taxes	Year	Number of returns	Number reporting net income	Number reporting no net income	Net income of companies showing income	Deficit of companies showing loss	Net income or loss	Federal taxes	Profit or loss (—) after Federal taxes
1917	1,234	1,149	85	$204,564	$646	$203,918	$70,962	$132,956	1938	1,887	363	1,524	$11,112	$37,779	—$26,667	$1,661	—$28,328
1918	1,234	1,106	128	150,095	1,248	148,847	65,764	83,083	1939	1,820	505	1,315	18,257	24,425	—6,168	2,844	—9,012
1919	1,234	817	417	72,203	9,943	62,260	12,934	49,326	1940	1,756	676	1,080	30,013	15,617	14,396	6,593	7,803
1920	1,234	1,152	82	251,026	1,658	249,368	76,224	173,144	1941	1,722	859	863	56,831	14,180	42,651	19,065	23,586
1921	1,234	503	731	59,164	30,275	28,889	10,559	18,330	1942	1,737	906	831	77,042	9,127	67,915	33,790	34,125
1925	3,650	1,065	2,585	40,463	62,826	—22,363	4,517	—26,880	1943	1,623	975	648	103,153	6,996	96,157	49,244	46,913
1928	2,705	863	1,842	33,477	57,985	—24,508	3,442	—27,950	1944	1,584	932	652	101,000	8,263	92,737	48,926	43,811
1929	2,469	934	1,535	40,069	51,891	—11,822	4,000	—15,822	1945	1,544	915	629	81,412	10,119	71,293	35,613	35,680
1930	2,239	781	1,458	25,077	67,148	—42,071	2,637	—44,708	1946	1,640	1,013	627	89,553	9,016	80,537	29,975	50,562
1931	2,095	582	1,513	9,957	57,702	—47,745	1,039	—47,784	1947	1,837	1,371	466	264,751	6,093	258,658	90,224	168,434
1932	1,864	289	1,575	5,956	57,123	—51,167	777	—51,944	1948	2,163	1,434	729	318,597	8,971	309,626	113,038	196,588
1933	1,851	396	1,455	7,243	54,792	—47,549	1,029	—48,578	1949	2,070	1,033	1,037	122,803	25,480	97,323	43,038	54,285
1934	2,017	660	1,357	23,634	31,218	—7,584	3,308	—10,892	1950	1,988	1,104	884	180,350	17,162	163,188	69,423	93,765
1935	1,975	591	1,384	19,566	35,142	—15,576	2,750	—18,326	1951	1,813	912	901	139,464	25,769	113,695	57,096	56,599
1936	1,945	590	1,305	25,183	28,493	—3,310	3,214	—6,524	1952	1,665	789	876	88,263	19,069	69,194	35,713	33,481
1937	1,815	539	1,276	22,289	23,066	—777	3,208	—3,985	1953	1,572	632	940	72,747	31,192	41,555	28,825	12,730

Source: National Coal Association, which assembled data from statistics of Income, pt. 2, U.S. Bureau of Internal Revenue.

Mr. BYRD of West Virginia. Mr. President, I also ask unanimous consent to have printed in the RECORD a table from the same committee report, which provides financial data on leading coal petroleum and refining, chemical, lumber, and stone and clay products companies, 1941 to 1955, inclusive. The table shows the very low percent of return on net worth accruing to the coal companies as compared with the profits accruing to the other companies.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Financial data on leading coal, petroleum and refining, chemical, lumber, and stone and clay products companies, 1941 to 1955, inclusive

[Money figures in thousands]

Year	Coal companies [1]			Petroleum and refining companies			Chemical products companies			Lumber companies			Stone and clay products companies		
	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth
1941	30	$20,623	3.8	[2]	[2]	[2]	49	$230,691	13.2	23	$15,795	15.3	[2]	[2]	[2]
1942	28	23,026	4.3	[2]	[2]	[2]	51	190,856	10.4	23	11,696	11.4	[2]	[2]	[2]
1943	25	23,697	4.3	[2]	[2]	[2]	54	187,718	10.5	20	8,156	8.9	[2]	[2]	[2]
1944	26	30,819	5.7	[2]	[2]	[2]	57	214,760	10.4	21	9,243	9.0	38	$22,499	6.4
1945	23	23,858	4.2	[2]	[2]	[2]	59	216,701	10.2	24	20,165	6.8	37	29,047	6.8
1946	24	37,316	7.6	[2]	[2]	[2]	60	320,672	14.8	21	23,065	21.1	41	63,622	13.7
1947	33	66,191	11.4	[2]	[2]	[2]	65	416,110	17.2	29	69,120	33.1	40	92,916	17.8
1948	30	99,225	16.1	[2]	[2]	[2]	65	494,083	16.9	28	101,584	23.1	45	118,205	18.2
1949	27	49,002	7.2	[2]	[2]	[2]	65	543,411	17.1	28	56,411	10.7	46	101,225	13.7
1950	31	62,032	8.7	91	$1,875,150	15.2	62	743,574	21.4	25	96,083	17.0	46	144,831	18.5
1951	29	61,941	9.0	91	2,247,118	16.6	64	628,332	16.3	25	98,088	16.0	43	125,994	14.9
1952	24	49,017	6.6	95	2,174,935	14.5	65	599,830	13.5	26	81,573	11.4	43	116,804	12.5
1953	27	29,030	3.5	94	2,423,985	14.7	65	645,584	13.2	28	82,378	10.3	49	122,483	11.8
1954	21	12,565	1.7	92	2,413,900	13.8	61	765,142	14.4	27	79,928	9.7	48	143,957	13.2
1955	21	40,961	5.6	92	2,770,552	14.2	61	999,367	17.7	27	125,149	14.2	48	194,647	16.4

[1] Coal companies include producers of both bituminous and anthracite.
[2] Data not collected.

Source: National Coal Association, which obtained data from reports of the National City Bank, New York City.

Mr. BYRD of West Virginia. Mr. President, it is obvious that the impoverished and sick coal industry cannot provide moneys for adequate research under the depressed conditions that have confronted the industry for so long. Just by way of comparison, a total of approximately $17,382,400 was spent on bituminous coal research in 1955 and probably not more than $1 million was spent on arthracite research during the same year. Yet, according to the National Science Foundation, in 1953 the research expenditures by the petroleum industry amounted to $146 million. The chemical industry, according to the same source of information, spent $361 million, the rubber products industry spent $53.6 million, and the textile industry spent $28 million.

Mr. President, coal research abroad is being conducted on a much more intensive scale than in the United States. In 1955, not more than 1,000 professional people were engaged in coal research in the United States. More than twice, and possibly three times, this number were similarly employed in England, France, Germany, and Holland, combined. Russia appears to employ about five times the number of professional people on coal research as are similarly engaged in the United States. According to a recently issued report of the National Coal Board, London, England, the coal industry of the U.S.S.R.:

> The facilities for mining research and development work are on a massive scale in the U.S.S.R.

The report stated that there are 10 research institutes under the Ministry of Coal, and that—

> several thousand (probably not less than 5,000) experienced scientists, engineers, and technologists work in these research establishments.

In contrast, Mr. President, only 944 professional employees were engaged in bituminous coal research in the United States in 1955, and probably no more than 50 professional employees were engaged in anthracite coal research.

Mr. President, through an accelerated program of coal research, enormous potentials exist for improving and expanding the use of coal, for improving the condition of the coal industry, for benefiting potential consumers of coal, and for strengthening the economy and security of the United States. However, the conversion of these technical potentials into realities requires large amounts of research—much more than has been conducted heretofore and more than the earnings of the coal industry can support. Therefore, Mr. President, since the welfare of the coal industry is highly important to the economy and security of the United States and since the public would derive substantial and lasting benefits from expanded coal research, research which would result in a more economic and effective utilization of the Nation's fuel resources, I submit that it is in the national interest for the Federal Government to support a greatly expanded and accelerated coal research and development program, and I urge the passage of H.R. 3375 by the Senate.

Mr. President, before I close, I wish to express my gratitude to our able majority leader for permitting me to appear before the Democratic policy committee last Friday in behalf of H.R. 3375. I am grateful for the courteous and sympathetic hearing accorded me by the policy committee, of which the majority leader is chairman, and I appreciate the prompt action taken by the committee on Friday afternoon in clearing the bill for floor action. The majority leader, Senator LYNDON JOHNSON, assured me that the bill would be taken up early this week and, as usual, he has stood by his word. This is another instance in which he has shown an active and helpful interest in matters affecting the welfare of my State and its people, and I would be remiss if I did not thank him at this time. I also wish to thank the able Senator from Utah [Mr. Moss], for the splendid service he has rendered in regard to the bill and I express my gratitude to Mr. Tom Pickett and other officers of the National Coal Association, together with Mr. James Mark, legislative representative of the United Mine Workers of America for the advice and assistance they have given to all of us in bringing this measure to what will soon be its final enactment into law.

I ask unanimous consent, Mr. President, to insert in the RECORD 209 research possibilities for bituminous coal as listed by the U.S. Bureau of Mines—IC–7754.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TWO HUNDRED AND NINE RESEARCH POSSIBILITIES FOR BITUMINOUS COAL [1]

I. COAL RESERVES

1. Investigate the formation and development of coalbeds and the effects of physical, chemical, and biologic factors.

2. Develop new geophysical methods of finding and estimating extent of coal deposits.

3. Map reserves more intensively, including information on variations in quality of coal with location and on the nature of minerals associated with coal.

II. PRODUCTION AND DISTRIBUTION

A. Mining

Mining Methods and Equipment

4. Develop rugged mining machines requiring low maintenance and with power and cutting ability sufficient for rapid development work and maneuverable enough for retreat mining.

5. Study means of providing automatic directional control for continuous mining equipment.

6. Develop means for remote control of continuous miners that are in view of the operator.

[1] Source: U.S. Bureau of Mines Information Circular 7754.

7. Develop improved equipment for conventional mining where continuous-type equipment is not applicable.

8. Standardize mining equipment to lower maintenance and supply costs.

9. Develop improved mining methods and machines for us in thin and thick coal seams.

10. Develop improved methods of selective mining to remove the more valuable sections of the coalbed separately.

11. Study the influence of physical characteristics of coalbeds, roof, and bottoms on the problems of mining and the development of improved mining equipment.

12. Investigate means for rapidly strengthening soft bottoms or soft spots to support heavy equipment.

13. Study economic disposal or refuse underground.

Underground haulage

14. Develop new face conveying methods and new equipment to provide continuous transport of coal from the face to main haulage.

15. Study improved methods of transporting supplies to the working face.

16. Study new means of mainline transportation, including hydraulic and pneumatic methods.

Roof control

17. Conduct research on roof control to provide better roof-bolting methods, help in the development of better means of support and develop a guide for selecting the type of roof support that will provide adequate permanence of control, based upon the life of the area being worked.

18. Develop simple means of indicating stress on roof bolts or on other roof-control devices.

19. Determine conditions under which auxiliary supports to roof bolts are required.

20. Develop temporary roof supports that are lightweight, easily installed, and easily reclaimed.

21. Investigate means of controlling newly exposed roof near the working face.

22. Study problems of roof control during long-wall mining, especially problems resulting from use of new planer-type mining equipment.

Ventilation

23. Study the effect of mine layout on ventilation problems.

24. Develop improved methods for degasifying coalbeds, including efficient use of the recovered gas.

25. Develop methods for pneumatically removing dust at the working face.

Power

26. Develop improved methods of supplying power at the working face, including the economic and technical aspects of a.c. versus d.c. power.

Lighting

27. Develop improved lighting underground approaching factory standards of illumination.

Causes and Control of Acid Mine Water

28. Develop additional fundamental data on the causes and prevention of acid mine drainage.

Strip mining

29. Develop improved machines and methods for removing overburden and coal.

30. Develop methods and machinery for dry blasthole drilling.

31. Develop more durable materials for bucket teeth and similar applications.

32. Develop improved equipment and methods for recovering coal under overburden too thick to be removed economically by stripping, including the development of improved methods for auger mining.

B. Underground gasification

33. Develop improved methods for seam preparation, using electrolinking, hydraulic fracturing, or other methods.

34. Study factors that determine the voltage, total energy requirements, and path of the linkage.

35. Study effect of rank of coal (coking and noncoking) on electrolinking.

36. Investigate optimum pressure required for hydraulic fracturing, the type of liquids and solids suitable for coal fracturing, methods for retaining the fracture in the coalbed, and the effect of strata above and below the coalbed on the fracturing.

37. Investigate the control of the inflow of water on the gasification system.

38. Study methods for reducing leakage losses of the product gas.

39. Investigate methods for developing the gasification passage by combustion under pressure.

40. Investigate combustion control to obtain the maximum quantity of gas of desired quality.

41. Study the effects of seam preparation and combustion methods on the extent of coal utilization.

42. Study the economics of underground gasification as affected by type of linkage, depth and thickness of seam quality of coal, and gasification pattern.

C. Preparation

Coarse-Coal Cleaning

Dense-medium washing

43. Develop a viscometer to measure viscosity of dense mediums.

44. Study physical characteristics of dense mediums and their effect upon cleaning efficiencies.

45. Develop other dense mediums.

46. Extend effectiveness of dense-medium cleaning to entire mine-run size range.

Jig washing

47. Determine effect of impulse cycle on separation.

48. Investigate influence of bed action on both stratification and capacity.

49. Develop improved means to control and remove impurities.

Fine-Coal Cleaning

Pneumatic cleaners

50. Study conditions under which it is economically advantageous to predry coal and clean pneumatically rather than to wet wash and then dry coal.

51. Develop improved pneumatic coal-cleaning methods, especially ones that are not susceptible to variation in surface moisture.

Wet-concentrating tables

52. Investigate design changes in table construction to increase capacity.

53. Study table stratification in relation to operating variables to develop automatic controls.

Froth flotation

54. Use froth flotation theory to evaluate the effect of operating variables upon performance.

55. Use froth flotation to concentrate certain petrographic constituents of coal.

Drying and Dewatering

56. Study various polymers, wetting agents, and use of sonics and ultrasonics to improve flocculation and mechanical drying of coal.

57. Develop improved equipment and methods for thermal drying of fine coal.

58. Study the effect of bin design and wetting agents on gravity drainage of coal.

Crushing and Blending Coal

59. Examine the basic principles of coal breakage to reduce the energy required for crushing and to control the size composition of crushed materials.

Performance Testing of Equipment

60. Study performance characteristics of auxiliary coal preparation units (screens, crushers, belts, conveyors, feeders, etc.).

61. Study the use of electrostatics, electronics, X-rays, and optics for improved coal cleaning.

62. Develop a continuous method for recording moisture and ash content in the raw-coal feed and in the product.

63. Study sources, extent, and prevention of size degradation in the preparation plant.

64. Investigate means of dust control in the units of preparation equipment.

65. Study the influence of characteristics of solids on kindred settling in water, air, and dense medium.

Sulfur Removal From Coal by Chemical Means

66. Study the removal of sulfur from coal by chemical methods.

Salvage of Valuable Products From Washery Refuse

67. Develop more economical methods of salvaging fine coal from washery water.

68. Study possible utilization of refuse material discharged from coal preparation plants, including production of lightweight aggregate and mineral wool, for fuel value by gasification or combustion, as an aggregate for asphaltic road materials, and recovery of sulfides for chemical use.

Surface Treatment of Coal

69. Study factors influencing freezing of coal in transit and storage.

70. Investigate improved surface treatment agents for allaying dust and freezeproofing coal.

D. Transportation and storage

71. Study and compare costs of transportation by various means, including hydraulic, pneumatic, and belt, and compare these, for various tonnages and distance, with water, rail, and truck haulage. This would include research and development work on hydraulic, pneumatic, and belt transport, where data are not already available.

72. Study the causes and cures for difficulties in moving coal, including study of flow characteristics of coal, effect of bin design, and effects of additives upon flow and freezing properties.

73. Study efficient and economic methods for storing and handling coal and ash at industrial sites.

74. Study the causes of spontaneous ignition and methods of alleviating it, including the effects of particle size, sulfur and moisture content, and effectiveness of additives, methods of piling, and sealing piles.

75. Study methods of alleviating degradation in handling.

76. Study the effect of storage on mineral matter and/or coking characteristics of coal.

77. Study freezeproofing of coals during storage.

III. COAL MARKETS

A. Power generation

Public Utilities

Improved performance of coal burning and handling equipment

78. Investigate behavior of coal minerals at high temperatures and the effect of trace elements in coal on the formation of boiler deposits.

79. Study mechanical and chemical methods for removing fireside deposits from large boilers.

80. Develop a standard test to determine ash-fouling tendencies of different coals.

81. Investigate the effect of additive compounds to coal on its ash-fouling tendencies and combustion characteristics.

82. Investigate the use of ultrasonic and electromagnetic energy to effect complete combustion.

83. Study combustion of solid fuels under pressure, study of flames, and the effect of steam and flue gas in flame characteristics.

84. Determine the viscosity and thermal conductivity of gases at elevated temperatures. These data are needed for improved

design of equipment used in industrial combustion processes.

85. Investigate the mechanisms of simultaneous transfer of heat and mass to assist in designing more efficient boilers and auxiliaries. Develop improved equipment for pulverized fuel and cyclone-furnace methods of firing.

86. Investigate the use of chars as boiler fuel.

Elimination of stack emission

87. Investigate improved means for removing sulfur dioxide from stack gases, among which are scrubbing (1) with an aqueous slurry of manganese oxides with production of concentrated sulfur dioxide, (2) with water followed by conversion of the sulfur dioxide in solution directly into sulfuric acid by catalytic oxidation, and (3) with ammonia to form ammonium bisulfite-sulfite liquor for production of free sulfur and ammonium sulfate; (4) catalytic gas-phase oxidation of sulfur dioxide in the stack for subsequent recovery as sulfuric acid or sulfate; and (5) use of lime slurry.

88. Study improved and economic methods for removing solids from flue gas without sacrificing boiler efficiency, including new design of mechanical dust collectors, improved use of electrostatic separation, and high-frequency sound waves.

Utilization of waste products

89. Develop new and expanded uses for fly ash, including use (1) as a pozzolanic material to replace cement in part, (2) as a replacement for I–A slag, (3) as a lightweight aggregate (after sintering), and (4) as a filter in bituminous materials.

90. Study improved methods of storing, handling, and transporting fly ash.

Economic aspects of coal-heat energy and power transmission

91. Determine the extent to which coal quality influences the overall cost of operation to enable purchasers and producers to determine economic limitations of cleaning coal for thermal power generation.

92. Study the use of the coal-fired gas turbine as a stationary powerplant, particularly for industries that can utilize the energy from the hot exhaust gases.

B. Motive power

Railroads

93. Develop and service-test gas-turbine locomotives powered by coal, using either a closed-cycle gas turbine or producer-gas firing of gas turbines. Present development of open-cycle gas turbines for this use should be continued.

94. Study interchangeability of the coal-fired gas turbine with diesel units on existing diesel locomotives.

Ships

95. Develop improved methods for controlling air pollution produced by coal-burning vessels.

96. Improve storage, bunkering, and handling methods for solid fuels.

97. Investigate the potentials for using colloidal fuels.

C. Other industrial

Coal-burning Equipment for Small Industrial Plants

98. Develop further a vibrating feeder and grate that can be applied to a new type coal burner to bring about complete automation.

99. Develop further an eccentric-ring stoker with rim feed and center discharge for completely automatic operation.

100. Make further combustion studies of thin-bed burning, using the down-jet principle to achieve maximum burning efficiency and smokeless operation.

101. Investigate adaptation of pulverized-coal burners and cyclone furnaces to smaller industrial plants.

102. Develop new equipment and conversion parts for existing equipment that will burn low-grade coal efficiently.

Stack Emission

103. Study the use of additives to coal for more complete combustion of gaseous and particulate pollutants.

104. To reduce the cost of collection equipment, study the possibility of reinjecting into the furnace material collected at the stack.

105. Investigate reasons why the amount of fly ash emitted is not directly related to the ash content of coal.

106. Study the use of water sprays in the stack to reduce air pollution, especially during soot-blowing periods of operation of smaller boilers.

107. Develop devices for instantaneous sampling and determination of the amount of solids in flue gases.

108. Investigate the size of coal-ash particles in the unfused and semifused condition.

109. Develop improved instruments, standards, and methods for collecting, measuring, and analyzing dusts, especially in the subsieve range.

Other Fundamental Aspects of Coal Combustion

110. Investigate the effects of oil and chemical treatment of coal on the combustion, handling characteristics, smoke yield, caking and swelling powers of coal, and ignition and decomposition temperatures.

111. Study the effect of water and steam on the chemical reactions of coal mineral matter that lead to clinker formation in fuel beds.

112. Study the plastic behavior of coal in an oxidizing atmosphere, particularly with regard to the operation of crossfeed-type stokers.

Other Process Uses

113. Develop equipment to use coal in blast furnaces and for metallurgical heating, such as in open-hearth furnaces, soaking pits, heat treating, etc.

114. Develop improved methods for processing clays and shales and waste materials from other industries to produce a superior lightweight aggregate bysintering with very fine coal sizes (one-eighth by 0).

115. Study the types and grades of coal suitable for pelletizing low-grade iron ores.

116. Investigate improved coal-fired rotary cement kilns.

117. Study the use of finely divided coal as a filler or pigment for rubber, plastics, etc.

118. Investigate the alkaline hydrolysis of coal for producing chemicals and low-ash carbon. This includes process-variable studies, development of a continuous process, and processes for separating and refining products.

119. Investigate the oxidation of alkaline slurries of coals for producing carboxylic acids. This includes process-variable studies, development of a continuous process, and processes for separating, refining, and further processing of the products.

120. Investigate nitric acid oxidation of coal as a process for the direct production of chemicals from coal.

121. Develop a coal-fired furnace for use in the direct production of nitric acid from nitrogen.

Reverberatory Furnaces

122. Study the effects of changes in furnace and equipment design on combustion characteristics of the coal and ascertain which characteristics of coals are most suitable for use in reverberatory furnaces.

Solvent Extraction

123. Investigate the mechanisms of the "solution" of coal in various solvents, including the extent to which this is due to depolymerization, to miscibility in hot oil, to true solution, etc.

124. Investigate uses for ultrafine ash-less coal obtained by precipitation, such as compounding rubber and plastics and use as a fuel in diesel-type engines.

125. Investigate products obtained by action of strongly basic amine solvents, such as ethylenediamine, and other solvents on coal for chemical and industrial uses.

126. Investigate the copolymerization of coal extracts with various organic reactants to produce materials for the plastics industry.

127. Study the preparation of coal for special uses by removing virtually all of the ash.

128. Investigate methods of removing most of the sulfur from coal.

129. Study the production of ultrafine coal particles without mechanical grinding, by precipitating coal from coal solutions.

130. Develop methods for increasing the fluidity of hot-coal solutions to facilitate the removal of mineral impurities (ash, pyrite, and fusain), for example, by light hydrogenation, or treatment under moderate pressure with oils capable of transferring some of their hydrogen and to use the hot-coal solution as a fuel for pressure gasifiers.

Electrode-Carbon Manufacture

131. Study processes for de-ashing coal (for subsequent coking) that will meet the specifications of the aluminum or other industries for electrode carbon, including dissolving coal in organic solvents to permit removal of ash, extraction of ash with hot acid or alkali solution, selective mining of low-ash coal, and/or intensive cleaning by froth flotation, and volatilization of ash constituents during carbonization or subsequent high-temperature preparation of electrode carbons.

Manufacture of Specific Chemicals

132. Determine the types and grades of coal best suited to the manufacture of sulfides and sulfites.

133. Develop special activated carbon that could be used for separating the constituents of coal gas (for use as chemical raw materials).

134. Determine the suitability of types of coke, coal, and low-temperature chars for the manufacture of chlorides.

135. Investigate the adaptability of coal chars to the manufacture of carbon disulfide.

136. Investigate the manufacture of sulfuric acid and cement in the United States from anhydrite, coal, sand, and shale.

137. Investigate the substitution of reactive char made from coal for other carbon sources in the manufacture of calcium carbide, and as fuel for calcining the lime.

D. Residential and commercial heating

Combustion Equipment

138. Develop packaged-type coal-burning equipment in which the stoker, heat exchanger, controls, and automatic coal- and ash-handling equipment are easily and cheaply installed.

139. Develop underfeed stokers of improved design with automatic ignition and ash removal and capable of burning a wide range of coals.

140. Further testing of crossfeed-type stokers to develop a completely automatic small coal burner.

141. Develop low-draft-loss dust-collection equipment for use with coal burners operating on natural draft.

142. Develop improved methods of coal pulverization and delivery for use in pulverized-coal burners in small plants.

143. Develop equipment for warm air industrial space heating with capacities exceeding 150,000 B.t.u. per hour.

Handling and Storage

144. Improve methods of storing and handling coal in retail-dealer yards to reduce degradation, segregation, and dust.

145. Improve home- and plant-bin design to provide maximum live storage with existing conveyor equipment.

146. Study the use of pneumatic coal- and ash-handling systems for offtrack customers.

New Market Areas

147. Develop improved coal-fired heating equipment to replace wood-burning units for curing tobacco.

148. Develop coal-fired central-heat systems for use in broiler-chicken barns.

149. Develop coal-fired equipment for forced warm-air drying of forage crops.

E. Coke and coal chemicals

Availability and Quality of Coals for Coking

150. Determine the behavior of the petrographic constituents of coals during cleaning and coking, and apply this knowledge to improve the coking qualities of coals through selective preparation and blending. The study would include the use of controlled amounts of deduster dust, washery fines, and other waste material to achieve high quality, more uniform coke.

151. Develop equipment to control and record automatically the moisture content of crushed coal being charged into coke ovens.

152. Determine possible advantages of crushing separately the high- and low-volatile components of coke-oven blends to control the size consist of each component.

153. Investigate the effect of blending low-temperature chars on the carbonizing properties of coals.

Pretreatment of Coals for Coking

154. Investigate methods of pretreating weakly coking or noncoking coals to make them suitable for manufacturing metallurgical coke or other large-size carbon agglomerates, either alone or in blends with strongly coking coals.

155. Investigate the behavior of coals during carbonization with reference to the effect of the rank and type of coal and operating variables on the carbonizing process.

156. Develop full-size test ovens or pilot-scale test ovens and procedures that will give reliable results for predicting the behavior of coals or coal mixtures in commercial coke ovens.

157. Study effect of pretreating coal, below the plastic temperature, on carbonizing characteristics.

158. Determine the effect of additives to the coal charge on the yields, properties, and value of the coke, tar, gas, etc.

159. Investigate the coking of special mixtures, such as mixtures of coal and iron ore, to produce Ferrocoke for blast furnaces.

High-Temperature Carbonizing Equipment and Conditions

160. Study means of accelerating the rate of heat transfer in conventional coke ovens, using new materials of construction, new design, and faster coking processes.

161. Develop a continuous process for manufacturing coke, including the use of horizontal chain-grate-type ovens.

162. Study methods for eliminating sulfur during carbonization and of minimizing the effects of sulfur in blast-furnace operation.

163. Investigate the use of chemical additives to coal charges to produce less pitch and a higher yield of the more valuable low-molecular-weight compounds.

164. Investigate the free radicals present during the volatilization of coal and devise means for controlling their reactions to improve the products.

Upgrading Primary Coke-Oven Products

165. Develop better methods for separating the constituents of coke-oven gas (hydrogen, methane, ethane, ethylene, etc.) for the production of chemicals.

166. Study the upgrading of primary coal products in the nascent state to obtain products that have a better commercial market.

167. Study the use of coke-plant ammonia to control sulfur dioxide emission from powerplant stack gases, with production of ammonium sulfate (and concentrated SO_2 if desired).

168. Study the upgrading of coal tar at the coke plant by converting high-molecular-weight constituents into more valuable chemicals, through thermal vapor-phase cracking of tars or tar fractions, hydrogenation refining, and dealkylation of tars or tar fractions to produce larger yields of the simpler aromatic hydrocarbons.

Low-Temperature Carbonization

169. Conduct research on physical conditions and chemical reactions during low-temperature carbonization to develop improved processes.

170. Develop reliable small-scale test methods for predicting the performance of any coal during low-temperature carbonization.

171. Develop better methods for separating solid particles (of char, ash, or coal) from tar in the vapor phase.

172. Develop better methods for safe handling and transporting of hot char to the point of consumption without loss of heat.

173. Develop methods for increased elimination of sulfur from the char during low-temperature carbonization.

174. Develop improved methods for cracking primary low-temperature tar during the carbonizing process, to yield more valuable tar products.

175. Study the characteristics of products from low-temperature carbonization to improve the design of low-temperature carbonizing plants and accessory equipment.

176. Investigate the fundamental physical and chemical differences between chars and cokes and the effect of operating variables upon the physical and chemical properties.

Special or Upgraded Products From Low-Temperature Carbonization

177. Determine the optimum operating conditions for producing chars for blending with coking coals for high-temperature coking, carbons for use in low-shaft furnaces, reactive carbons for reducing agents in various metallurgical and chemical processes and carbons for electrode manufacture.

178. Study the production of agglomerated or nodulized products from mixtures of coking coal, iron ore, etc., that will be suitable for smelting iron ores to iron or crude steel by various processes.

179. Make a comprehensive investigation of the nature and composition of low-temperature tars and conversion of these tars into more valuable low-molecular-weight materials.

180. Develop better methods for separating the constituents of low-temperature-carbonization gas.

F. Gasification and uses of synthesis gas

Production of Synthesis Gas

181. Study mechanism and rate of gasification.

182. Investigate feeding and gasification methods for powdered coal, especially under pressure.

183. Study gasification processes that do not use oxygen.

184. Study gasification with nuclear energy as a source of heat.

185. Investigate cleaning of raw synthesis gas, including removal of gaseous, liquid, and solid impurities.

186. Study process variables for oxygen-gasification processes in fixed, entrained, and fluidized beds.

Utilization of Synthesis Gas

187. Investigate producing electricity by the indirect fuel cell, using gases.

188. Study the structure of catalysts and the mechanism of catalytic reactions, including sulfur poisoning of Fischer-Tropsch catalyst methods of reactivation of poisoned catalysts, and the development of sulfur resistant catalysts.

189. Develop new types of catalysts (powder and fiber metallurgy, alloy, and skeletal catalysts) that are active and durable.

190. Determine operating conditions most suitable for desired products, including selection of the most suitable catalysts.

191. Develop reaction systems suitable for large-scale use (adequate cooling by gases and/or liquids), including systems for methanation.

192. Study methods for characterizing, separating, and upgrading products.

193. Study methods of combining processes to produce maximum amounts of desired products with the cheapest available gases.

G. Coal hydrogenation

194. Make a systematic study of effect of process variables on rates of reaction and product distribution.

195. Investigate the mode of action of various catalysts, the chemical changes produced in catalyst during hydrogenation, and the development of improved catalysts.

196. Investigate methods for reducing the high pressures required in conventional process, by use of catalysts, inhibitors, and temperature-time relationships.

197. Study the combination of hydrogenation with other processes, for example, carbonization or solvation.

198. Study methods of characterizing, separating, and upgrading products.

199. Develop improved equipment for removing solid residue from heavy oils.

200. Study processes for coal hydrogenation at temperatures higher than usual, including production of pipeline gas.

IV. PHYSICAL AND CHEMICAL PROPERTIES OF COAL

201. Introduce simplification and automation of analysis procedures, adaptation of new analytical and research tools, and development of continuous analytical equipment for process control.

202. Apply statistical methods to analysis and process control.

203. Standardize procedures and terminology.

204. Study distribution and nature of plant residues, moisture, and minerals in coal.

205. Study the physical properties of coal, such as surface and pore structure, density, molecular weight, hardness, plasticity, absorption of radiation, and electrical and magnetic behavior.

206. Study the arrangement of coal carbon in ordered arrays, identify molecular groups and fragments, and determine the type and strength of chemical bonds.

207. Study the reaction of coal with acids, alkalies, oxidants, reductants, solvents, and living organisms (bacteria, fungi, molds).

208. Determine the products obtained upon heating coal in various atmospheres, at different pressures, and with catalysts.

209. Investigate the analogies between reactions of coal and those of coal models and pure chemicals.

WELCOME HOME, PRESIDENT EISENHOWER

Mr. WILEY. Mr. President, yesterday, President Eisenhower returned from a trip to the Far East.

If we put the factors of the trip into perspective, I believe that again, President Eisenhower has demonstrated a capability for eliciting good will for the people of this great country.

We regret, of course, the developments in Japan.

Of course he is not to blame for the developments in Japan, because they are entirely the result of Khrushchev's hand and of the Communists.

Fundamentally, however, I believe these reflect: First, the efforts of communism to stir up anti-U.S. sentiment among the Japanese people; and second, internal political strife within Japan itself.

Again, there will be a wide variety of interpretations as to what the real significance of the events in Japan were. Again, in all likelihood, there will be attempts to crystal-ball gaze, and lay the blame on this individual, or that policy—an effort to find a "whipping boy" of some nature. This is very apparent.

We recognize, however, that this is a political year. As a result—and, unfortunately, I believe—there is a constantly recurring effort by some to make "political hay" out of such events.

Let us face it: There is trouble in Japan. As yet, it is difficult to assess just how far reaching will be the internal political turmoil. Overall, however, I believe that we need to keep perspective in reviewing the President's trip to the Far East, as well as his other successes in being a good will ambassador for the United States.

During his term of office, the President has served his country in a unique way. At no time in history has a leader of a nation elicited the homage shown to Mr. Eisenhower—and our country, as reflected in his trips to Asia, the Middle East, Europe, South America—and yes—the Far East.

The question, of course, arises: Can one—in such a complex, troubled world—expect an unbroken sequence of outstanding successes?

Realistically, the answer is "No."

In Japan—and in Paris—the President faced circumstances beyond the control of himself, or the U.S. Government, or the free world.

Whenever there is difficulty on the globe, however, there is a tendency—illogical as it is harmful—to blame the United States or its policies for all troubles.

It is too bad that that should be the case. It is illogical, as it is harmful, to blame the President of the United States or its policies for all these troubles. It is illogical that newspapers should print such stories, in which they blame this Government for the mistakes of other governments.

Let us remember that Kishi, a friend of this country, did not recognize the seriousness of the situation in Japan until just after the President had left home. Then he thought, in the interest of the safety of the President, it was necessary that he call off the trip. Is the President to blame for the mistakes of that group in Japan, blind as it is and forgetful as it is of all that we have done for those people? Is the President to blame? Is it a mistake of foreign policy, or is it the mistake of the internal policy of Japan?

We did not create the world; neither are we responsible for all its ills and faults arising outside the boundary of our country. Let us remember that.

I believe it is time for us to stop, look, and listen, and to recognize, when we evaluate world affairs, that we must not get into the habit all the time of saying "This is a mistake of foreign policy."

Even though we are not responsible for such shortcomings, the United States as a Nation has made a greater effort than any other country in history to help resolve world difficulties and promote order, justice, and peace. We have spent billions of dollars in that effort. We hope that those who are hungry and in want will not let these conditions upset them to pull stunts, or let happen what has happened in Japan.

Upon his return, the President again warrants the high respect and deep gratitude of the Nation for an outstanding accomplishment.

Well done, Mr. President. Well done. The people recognize the great value of your accomplishments.

I could not close these remarks without asking in this day of the world's history, when ferment is everywhere, especially in Africa, where the nations are seeking for the light—spiritual light, economic light, the light to achieve a higher standard of living—are we to blame when they, in their desire to have more of that light, overstep the bounds of what we think is proper? No. Ours is a problem, but it is not our responsibility, concerning the nations which are coming up through the darkness of the past, many of them living in the dark ages. Ours is the responsibility to shed the light, but we cannot be responsible when they make the mistakes.

Let me say something about Kishi. He could have followed the course of Napoleon, who suppressed the mob in Paris. Instead, Kishi let the mob run its course. Now the people of Japan are called upon to say whether that course was right. Be it right or wrong, America is not responsible. The United States has placed billions of dollars in Japan. We have brought Japan up from the status of a conquered nation to the point where she can stand on her feet. Let us give praise where praise is due, but do not attribute to American foreign policy or to our President the overt acts of others who have not been thinking the problem through.

Mr. KEATING. Mr. President, will the distinguished Senator from Wisconsin yield?

Mr. WILEY. I yield to the Senator from New York.

Mr. KEATING. I commend the Senator from Wisconsin for setting this matter in proper focus. There has been in some quarters a distorted view expressed of the effect of the unfortunate events in Japan. It is my belief that the riots, which occurred, Communist inspired, may result in a strengthening, in Japan, of the forces of freedom and democracy, because what has taken place has been a grim illustration to the Japanese people, as well as to the world, of what a small, minuscule, but militant and organized Communist minority can do.

It is my confident hope that Mr. Kishi's party will be successful in the forthcoming elections. Mr. Kishi himself, with commendable fortitude, may have jeopardized his personal political future; but men throughout history have been willing to do that for an ideal. It is my impression that the recent events, unhappy as they were, tragic as they were, may actually strengthen the free forces within Japan and outside Japan.

The distinguished Senator from Wisconsin, who occupies so respected a position in the Senate and on the Committee on Foreign Relations, has performed a real service by making the remarks he has made this morning.

Mr. WILEY. I thank the distinguished Senator from New York. He recalls to my mind when he says that what has taken place in Japan may result in a more democratic Japan what Prime Minister Macmillan said about the U–2 incident. There has been much misrepresentation about the reaction to that event. Mr. Macmillan said that what it has accomplished has been to alert the people in Britain who were blind. His exact language does not come to my mind but he said many people in Great Britain were asleep to the real threat of communism they had been as it were mentally sabotaged.

Another result of the U–2 incident is that it has strengthened NATO. The NATO nations have again come together.

Another result is that the nations of the West once more recognize the serious threat of communism and have drawn closer together than they have been for years.

We could continue to relate many other benefits resulting from the U–2 incident and the happenings in Japan. They have alerted the American people to the imperative need of doing what the legislature is doing. Congress has provided for the increased strength of the Armed Forces, including manpower, by appropriating money for more planes and the strengthening of our defenses.

So I think it may properly be said that out of so-called negative events, for which we are not to blame, great good will come if we take the right attitude.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. COOPER. I join the Senator from New York in commending the Senator from Wisconsin, a distinguished member of the Senate Foreign Relations Committee, for his statement. After the breakdown of the summit meeting and before the Japanese Government withdrew its invitation to the President to visit Japan, questions have been raised whether the President should have started his journey to Japan; and whether the withdrawal of the invitation represents a blow to American prestige and is a result of American policy.

As one Member of the Senate, I state that it is my view that once the President had been invited to go to Japan and had accepted the invitation, he took the correct course and fulfilled his obligation.

If there was a mistake of judgment about the intensity of the riots in Japan, it was a mistake of judgment by the Japanese Government. The United States—President Eisenhower had to rely

upon the judgment of the Japanese Government.

A second question raised is whether the moving cause, for the riots in Japan, were the result of mistaken policies of the United States. I do not think so. Without question, they were instigated as a result of the U–2 flights, and the action of Mr. Khrushchev in Paris. Will blame be fixed upon the United States and the President, because of the U–2 flights as the moving cause, the riots in Japan, and the conditions in Japan which supported the riots? If blame is assessed against the United States on this point, then logically, the critics must say the U–2 flights were wrong. But I have just read in today's newspapers that the Senate Committee on Foreign Relations has filed its report and its finding that, after hearing the evidence, they agree that the U–2 flights were necessary, for the security of the country. Although I am not a member of the committee, I attended every meeting of the committee when the U–2 incident was being studied, with one exception.

I came out of those hearings with the firm conviction that the U–2 flights were necessary for our national security.

Having had some experience in Asia, I would say the riots grew from several causes. They were instigated and fomented by the Communists by Soviet Russia and Communist China. But they were supported by others who are not Communists. Without doubt there is a strong neutralist movement in Japan, as throughout all Asia; the fear of war, about which they can do little, leads many in these countries to seek a policy which is almost one of "peace at any price," in the hope of avoiding involvement in war. Others realize that without the strength of the United States their countries would be helpless against Communist expansion. Have our policies brought into being these attitudes of the Asian people—since World War II—in Japan and in the countries of Asia? I do not believe so. These attitudes exist in the consciousness, in the minds of the people of the Asian countries. They are encouraged by the Communists; but, they exist. We have not created these attitudes, and we cannot remove them. We can only deal with them.

From my limited experience, I say the tendency now to blame the President for the events which have occurred in Japan makes no sense whatsoever.

A few days ago the press, intellectuals and, I would say, many decent people of our country were very much exercised because at the time of the Korean war, many in this country blame our own people for the mishaps in the world, charged that they were caused by Communists behind every door or in every corner.

Today, when these untoward and unhappy events have occurred, although they express Soviet policy, as the Senator knows, there is a tendency to derogate the strength of the United States and the purposes of the United States.

Yesterday, I read again a quotation from Montesquieu, saying that if the loss of a battle means the country was lost then there was a cause at work that made the state ready to perish. That is not true in our country.

I believe we have great strength, will, and purpose and we can move forward from the situation in which we find ourselves today.

Mr. WILEY. Mr. President, I wish to thank both distinguished Senators for their comments.

Let me add, in relation to the U–2 planes, that in 1955 a conference was held in Geneva, and at that time the President suggested the overflights. But the President got nowhere with the Kremlin. As a result, the Congress of the United States created the fund, and made it available for the U–2 planes; and from July 1956, the U–2 planes have gathered information necessary for the defense of this country. Some of us have been fortunate enough to see the pictures which were taken, and to observe that they were not as scanty as Khrushchev is now saying they are, because Khrushchev is trying to excuse himself for not telling the people of Russia what he has known all the time about the U–2 flights.

These pictures tell the story in no uncertain terms. As a consequence, the U–2 planes carried on in the interest of the national defense.

Of course, the accident happened. At best, it is an accident. Are we going to blame the President or the country for carrying out a policy which was instigated by the Congress of the United States? The answer is, of course not.

EIGHTIETH BIRTHDAY OF HELEN KELLER

Mr. GRUENING. Mr. President, today is the 80th birthday of Helen Keller, that unique and wonderful woman who has conquered adversity in a way that has made her not merely memorable, but immortal.

I desire to join in the congratulations and plaudits which are deservedly given to Helen Keller on this occasion, and to associate myself with my colleagues, the Senator from Alabama [Mr. HILL], the Senator from Connecticut [Mr. BUSH] and the Senator from New York [Mr. JAVITS] who acclaimed this great human being on the floor of the Senate last Thursday and secured the passage of a resolution of congratulations to Helen Keller. I want to join them because, among other reasons, I was fortunate in being the first newspaperman ever to interview Helen Keller after she acquired the faculty of speech.

Helen Keller—blinded and made deaf and dumb by illness in infancy—communicated, during the first quarter century of her life, through the method employed by deaf people—by the use of her fingers. But as she was also blind, this communication from other deaf-mutes could not be received by her, and consequently, was made into the hand of her devoted teacher, Anne Sullivan, later Mrs. John A. Macy. But this method of communication would have limited Helen Keller to communicating only with her teacher. During the years of Helen's childhood, adolescence, and early womanhood, Miss Sullivan with infinite patience and devotion gradually trained Helen's voice. In short, she taught Helen to speak.

Helen Keller made her first public appearance at the Harvard Medical School, during an annual meeting of the American Otological Society, in Boston, in 1912. I was then a reporter on the Boston Herald. I covered that meeting, to which my father, Dr. Emil Gruening, was a delegate. He was both an otologist and an ophthalmologist, and had been a past president of the American Otological Society, as well as a former president of the American Ophthalmological Society. As I had recently been graduated from Harvard Medical School, my city editor thought it would be appropriate for me to report this meeting, at which Helen Keller's voice was to be heard, and was heard, for the first time in public. Her performance fascinated the assembled ear specialists. It was the demonstration of a miracle in more than one sense.

It occurred to me that Helen Keller should be further interviewed and her achievement made more widely known; and I sought, and obtained, permission from my city editor to do this. I called upon her at home in Wrentham, Mass. Much that she said then is of interest now, because it reveals how her loss of sight and loss of hearing were to a marked degree overcome by a phenomenally compensating increase in the sensitivity of her remaining faculties—her sense of touch and her sense of smell. In this interview, I communicated to her by having her fingers laid on my lips. As the article reveals, she understood me perfectly.

So I think it would be interesting to reproduce this article—the first newspaper interview with Helen Keller—published 48 years ago, when Helen Keller was a young woman of 32.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Helen Keller's Birthday," from the New York Times of today; an article entitled "At 80—The Miracle of Helen Keller," written by Robert L. Duffus, and published yesterday in the New York Times magazine section; and my own reportage, published 48 years ago in the Boston Herald, entitled "Helen Keller, Born Dumb, Gains Power of Speech."

There being no objection, the editorial and the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 27, 1960]

HELEN KELLER'S BIRTHDAY

The important fact about Helen Keller, whose 80th birthday will be remembered today in every civilized country on earth, is not that she can neither see nor hear. The important fact about her is the warmth of her heart, her love for her neighbors near and far, and the work she has done during all her adult life for the deaf, the blind, for the sick and wounded and for all she could reach who needed her help. Earlier in her career Miss Keller may have been known as a prodigy who accomplished great things in spite of her handicaps. Today it is the achievements that we think of, and it is hard to believe she has done so much in darkness and silence.

The truth is, of course, that the darkness and silence have been purely physical and accidental. Helen Keller has heard the troubled voices of humanity, seen its dire needs, spoken to it in many languages. Mankind is the richer for her 80 years.

[From the New York Times, June 26, 1960]

AT 80—THE MIRACLE OF HELEN KELLER—DESPITE HER INABILITY TO SEE OR HEAR, FEW OTHERS IN OUR TIME HAVE COMMUNICATED WITH THEIR FELLOWS SO FULLY AND SO EFFECTIVELY

(By R. L. Duffus)

For more than 78 years Helen Keller, who reaches her 80th birthday tomorrow, has heard no sound and seen no ray of light. She knows the human voice, the echo of music, the singing of birds, the faces of people and of nature only as a child 1½ years old, or as she is aware of them by touch or smell.

Yet there can be very few persons in this world who have managed to communicate with their fellows as fully, as intelligently, and as effectively as Helen Keller. One cannot meet her even casually without being aware of a warmly outgoing personality that is in harmony with the best thoughts and aspirations of mankind and with all the beauty and majesty of Nature.

Such is the miracle, as it has truthfully been called, of Helen Keller. At 80, as during the long preceding years, Miss Keller is a soul released from the prison that a seemingly unkind destiny imposed upon her when she was hardly out of babyhood. The woman who achieved this miracle, Anne Sullivan, and the woman who kept the miracle alive, Polly Thomson, are both now dead. Miss Thomson laid down her task only last March after a long struggle against the stroke that had affected her speech and her ability to get around.

But these devoted women live on in the Helen Keller who is so vigorously alive at 80. They live on, but it is clear that Helen Keller, deeply and devoutly grateful as she is for what they did for her, is a great person in her own right. In her generosity, in her natural humility, in the loving quality that is a part of her, she might think this more praise than she deserves.

The mystery remains. We do not know what Helen Keller would have achieved if she had not been handicapped. We do not know to what extent the high intelligence and the purity of soul that she achieved would have come into being, except under the limitations she had to overcome and with the deep love that her two friends and helpers inspired in her.

Helen Keller will not mind, perhaps, if one quotes two sentences from a private letter she wrote after Polly Thomson's death: "The tears come into my eyes as I think of the warm-hearted letters of sympathy I have received from India and other foreign lands. It is a splendid experience for me to have had two friends—Teacher and Polly—to help forward my work for the blind during many years of my life, and I feel humble indeed that such a privilege has been granted me."

But no letter, no formal writing can fully convey Helen Keller's spiritual quality and warm affection, her deep compassion and—a saving grace in what she has had to endure and what she has felt it her duty to do—a keen sense of fun.

A guest at her house some years ago remembers a dinner party at which Miss Keller sat at one end of the long table and the late Jo Davidson, sculptor and humanitarian, sat at the other end. She adored Jo Davidson and Jo Davidson adored her. During the meal, as Mr. Davidson was telling some humorous story, Miss Keller raised her hands with a typical gesture. She had not caught Mr. Davidson's words, but she had caught his spirit. "What fun Jo is," she cried.

She recognizes her friends almost by their vibrations. After a few meetings she can identify almost anybody by a handshake. She has a sensitivity, an almost psychic delicacy, that makes up in part for her heavy handicap.

What is outstanding about her personality? Friends who have known her for years might say that it is the outgoing quality. Since Anne Sullivan first taught her the words with which she could express herself, she has never been in the least self-centered. One cannot find in all her writings, and nobody has ever detected in her conversation, the slightest trace of self-pity.

Her pity has been saved for others—for the blind, for the deaf, for those who are falsely called dumb, for the ill, for the wounded and the bereaved. During the Second World War she visited hospitals and brought comfort to many hundreds of wounded men who had been embittered cr terrified. To these men she gave faith, hope and the cheerfulness that faith and hope can produce.

Today she is proudly—and modestly—listed in "Who's Who" as "Counselor on International Relations, American Foundation for the Blind." Her heart goes out to the whole world of suffering and aspiring humanity.

In the book called "This I Believe," she wrote: "* * * Belief in God as infinite good will and all-seeing Wisdom whose everlasting arms sustain me walking on the sea of life. Trust in my fellow men, wonder at their fundamental goodness and confidence that after this night of sorrow and oppression they will rise up strong and beautiful in the glory of morning. Reverence for the beauty and preciousness of earth, and a sense of responsibility to do what I can to make it a habitation of health and plenty for all men."

Recently she was asked if hers had been a happy life. "I am happy," she replied. "I believe that if we make up our minds to do something great we can accomplish it." By something great she meant, as she said, "All things that benefit others." She looks ahead with hopefulness, even though she is saddened as she thinks of the world's prejudices, of its poverty and, above all, of the threats of war.

At 80 the energy of her spirit, and even of her body, remains. She has retained much of the beauty she had as a young girl. Her blue eyes look out at the world smilingly, almost as though there were sight in them. Her gestures are never fumbling. She has a grace of motion just as she has seemingly a sense of music in the words she writes.

Rhythm is obviously a part of her being. Even though she cannot hear, she can catch with her sensitive fingers some of the vibrations of a musical instrument and from this she takes pleasure. Her serenity may be due in part to subtle enjoyments and perceptions of which those of us who see and hear are hardly aware.

She looks forward, at 80 years of age, to more work for the blind. She talks of the blind as might a seeing person. It almost seems as though she might have chosen to be blind and deaf herself if she had known that this would best enable her to help others.

In spite of her grief at Polly Thomson's death, Helen Keller remains essentially a cheerful person. She likes to go shopping for a new dress. She likes to see her friends and have them come to see her. She does not fear death and she is perfectly certain that "Teacher"—as she always calls Anne Sullivan—Polly Thomson, and others will be waiting for her when she steps through the last door.

One hardly dares ask her if she thinks of a future life in which she will see again and hear again, but certainly she thinks of it in terms of laughter as well as tenderness.

[From the Boston Herald of 1912]

HELEN KELLER, BORN DUMB, GAINS POWER OF SPEECH—WILL AID SIMILARLY AFFLICTED PERSONS IN CITY OF SCHENECTADY—APPOINTED BY MAYOR LUND

Helen Keller is too well known to require a lengthy introduction. The Nation has followed with the greatest solicitude the progress of the girl who since infancy has been blind, deaf, and dumb.

But Miss Keller is no longer dumb. She is still blind, her ears do not hear, but she has astonished the scientific world by regaining, through sheer persistence and unremitting effort, her power of speech. This feat, which had always been held an impossibility for the congenitally deaf, was the more remarkable in that her vocal chords, atrophied through long disuse, had to redevelop before they could produce even the simplest sounds.

Recently Mayor Lunn of Schenectady asked Miss Keller to assist him in some of the branches of civic administration, and it was about her work there that I wanted to question her.

After the first greeting, as she came out onto the spacious porch of her Wrentham home on the arm of her friend, she asked me my name.

"You are going to Schenectady, and you are to be a city official?" I asked.

"Yes, that is so. Mayor Lunn has said that he would appoint me to the board of public welfare."

"Won't you tell me about the nature of your work?" I asked.

"It's not very definite yet," Miss Keller told me, "I am not going out there till later in the fall, and know only in a general way what I will do. Before I go on I am hopeful of trying something new. I want to give a few short lectures and talks to women's clubs and other organizations. You know I have not talked in public for any length of time—only once—at the Harvard Medical School. Talking is one thing, but to make myself understood is another. Did you understand what I said at the congress?"

"I told Miss Keller that I had understood every word of it. And I repeated to her the consensus of opinion at the time that her speech was in every way clearer and more natural than that of the two deaf pupils, who had their vision, who also spoke at the time. Later, when I asked her the reason why she, who had not their opportunity of seeing the lips, yet who had succeeded so much better, she gave her explanation:

"Perhaps I have had more patient teachers. Maybe I applied myself more. It means work and untiring application."

"In Schenectady," she resumed, "my work will be to help along the cause of better health and more healthful living conditions. I hope to make my work preventive rather than amelliorative.

"I was reading the statistics of the physical condition of our schoolchildren the other day. Do you know that over 75 percent of our schoolchildren are suffering from some physical defect or other? A great many of them have defective eyesight. These are conditions that can to a large extent be remedied by getting at their homes and their living conditions. So much can be done by education in just such cases. So many of the causes of disease and suffering could be eliminated by prevention.

"More schools are needed for the blind and for the deaf. The oral method of talking for the deaf should be universalized as far as it can. It is not possible everywhere, perhaps, because it requires so much concentration. But it is a wonderful boon to have it. It puts one in touch with the whole world where one was formerly so much shut off."

I asked Miss Keller why she was a Socialist. She told me with the utmost enthusiasm. Under socialism only, she said, could every one obtain the right to work and be

happy. She is very ardent in her socialistic doctrines, and kept referring to socialism as the cure for any of the economic ills which came up in the course of our talk. In her study, over her desk, is a Socialist banner of the Industrial Workers of the World.

"What do you think of the imprisonment of Ettor and Giovannitti?" I asked.

"Outrageous." The word burst out before I had spoken the first man's name. "A burning shame. A disgrace to the whole country and to Massachusetts. They ought to be let out at once."

While we were talking visitors came up on the porch, and entered the house. This prompted another question.

"When you speak to an audience do you know that there are many people in the room. For instance, when you were speaking at the Harvard Medical School, did you know that there was a big crowd there?"

"I should say I did. I could feel them and smell them."

"How did you feel them?"

"By any number of vibrations through the air, and through the floor, from the moving of feet or the scraping of chairs, and by the warmth which is present when there are people around."

"How could you tell by your sense of smell?"

"There was the doctor's odor and the odor of clothing."

"Do you mean to say that doctors have a special odor which you can recognize?"

"A very decided odor. It's partly the smell of ether and partly the smell that lingers from the sickrooms in which they have been. But I can tell many professions from their odor."

"Which ones?"

"Doctors, painters, sculptors, masons, carpenters, druggists, and cooks."

"What does the carpenter smell like, and the druggist?"

"The carpenter is always accompanied by the odor of wood; the druggist is saturated with various drugs. There is a painter who comes here often and I can always tell the minute he comes anywhere near me."

"Could you tell my work in that way," I asked. "Did you smell any ink?"

"No, a typewriter, I think," Miss Keller answered quickly, laughing.

"Could you really tell that," I asked in surprise.

Miss Keller's rippling laugh continued, "I'm afraid that was a guess," she admitted.

"Is there any difference between the odors of children and grownups?" I asked, "and between the two sexes apart from the women's use of perfume."

"A big difference. Odors in children are far less pronounced and less varied than in grownups. Men and women have entirely different odors."

"Do different individuals have distinct odors? Can you tell people by their odor?"

"Everyone has a distinct odor. I can recognize anybody whom I have known at all well, in that way."

"Do you receive many sensations by means of vibrations? Can you tell, for instance, when it's thundering?"

"Yes. And I can tell when it's raining. Not only from the dampness, but from the vibrations through the air and from the odor of fresh turf, as well as from the suppression of most other odors."

"But can you tell the difference between the time that it's raining and the period immediately following rain, when practically the same conditions prevail?"

"I can judge pretty nearly when the rain starts and stops."

"Can you distinguish between noise and music?"

"Oh, yes, there is the rhythm."

"Aside from the rhythm, if someone were to beat rhythmically with a hammer, could you tell?"

"There is an entirely different feeling between music, which is pleasant, and noise, which is harsh."

"In listening to an orchestra, can you distinguish the instruments?"

"I can tell a violin, piano, and, best of all, the organ, with its full tones. And, of course, a drum is easy to recognize. I can tell the difference between brass and wood wind instruments. The brass are much more pointed, the sound from the wooden one seems more cut off."

"Aside from the matter of rhythm, can you distinguish a singing voice from spoken words?"

"Yes, there is the difference in pitch. I was out walking in the woods the other day with a friend of mine—a German. He sang to me in German. The song, 'Gypsy John,' was all about a poor old organ grinder."

"Can you understand German as well as English," I asked Miss Keller's fingers.

"Not nearly so well. I can understand it, as well, to read, but I haven't had the practice in reading lips in German."

"Konnen Sie mich jetzt verstehen?" I asked without any intimation of the sudden change.

Miss Keller hesitated for just a moment longer than usual. "Jawohl, Ich verstehe ja ganz gut," she answered with perfect fluency.

Miss Keller's companion was good enough to suggest that we visit the study. It is a long oblong room, one side lined with shelves, filled with great quarto size volumes. Miss Keller ran the tips of her fingers lightly over their backs. "These books for the blind are pretty big, aren't they?" she said. "Here is 'David Copperfield' in five volumes, Green's short history in five, and Carlyle's 'French Revolution' in 15 volumes."

Among the books I saw two large volumes of one of Miss Keller's own writings—"The Story of My Life," and a wide variety of books in English, French and German.

On the long table in the middle of the room, where Miss Keller attends to her voluminous correspondence, are two typewriters, one a special machine for writing the raised print used for the blind, the other the ordinary style of typewriter. It was marvelous to see the agility with which her fingers flew over the keys of the latter. Without means of knowing whether she is striking the right keys or not, she turns out pages without a single typographical error. I was shown a letter which she had just written to a teacher of the blind in South America, who had written asking for advice on certain questions of instruction. In all four pages there was not a mistake that had been left uncorrected by the typewriter.

I felt that I had imposed on Miss Keller's good nature long enough. It was an effort to tear myself away, however. Doubtless many have felt the charm of her personality.

"I haven't stood on the order—" I began—half in curiosity.

"Of your going." Miss Keller finished the quotation and laughed happily. All through, her rapid-fire mind had more than kept pace—it had continually leaped ahead of the lip to finger transmission.

But before I took final leave, she wrote for me on her typewriter with that same agility, which like much that I had seen that hour left me marveling, her favorite verse, from a poem of Henley. And she signed it in her own hand—that wonderful hand which serves as organ of sight and of hearing.

"Out of the night that covers me,
Black as the pit from pole to pole,
I thank whatever gods may be,
For my unconquerable soul."

And perhaps it is ill fitting to add to this embodiment of Helen Keller's indomitable spirit and to her sweet personality, by further comment, the acknowledgment of an inadequate effort to reproduce and reimpart a slight trace of the thrill of admiration that must inevitably come to those who have had the good fortune to know her—if only for a brief while. It is in the presence of nature's wonders, that man is supposedly brought to a realization of his own littleness. Yet never were the feeble successes of full-equipped man more infinitely dwarfed than by the accomplishment in the face of hopeless handicap of this one fellow being. But Helen Keller has done more than to help concretely both herself and those who to a lesser degree were afflicted as she is. Indelibly she has furnished proof of unsurmountable obstacles surmounted and established for all the ideal of fighting the good fight.

RETURN ADVICE TO KHRUSHCHEV ON SOVIET ELECTIONS—THE SOVIET CITIZENS' BILL OF RIGHTS

Mr. KEATING. Mr. President, one of the most interesting political phenomena of the present day is the close personal interest that Premier Khrushchev is displaying in the outcome of our national elections. In a speech in Bucharest, last Tuesday, he declared that the Soviet Union was looking to the American people to elect a President to correct the mistakes of the Eisenhower administration. After generously conceding that it was for the people of the United States to decide who would be their next President—and the idea of mere people deciding a matter like this must be hot news in Russia—textually, here is what the Soviet Premier said:

> Our state, our people, of course, are interested in the election of such a President and the formation of such a government as would remedy the mistakes made by the present Government of the United States.

So the people of the United States have their instructions. If there is anything Nikita despises it is a non-Communist chief of state who makes mistakes. A mistake, of course, in the Kremlin dictionary is any act or policy contrary to the best interests of the U.S.S.R., and detrimental to its advance across the map of the world.

In view of Khrushchev's gratuitous offer of advice to the people of America as we approach our national elections, it is perhaps not unwarranted for us to seek to influence the choice of leaders in Russia.

Now, as a prefatory remark, may I say that we are all familiar with the Russian counterpart of our Bill of Rights. I shall quote a few passages to indicate the spirit of the document by which Soviet citizens live:

1. The right to assent fully and instantly to all Government decrees is an inalienable right.

2. Whatever a loyal Soviet citizen wants, he is fully entitled to want, but he must not open his mouth to ask for it.

3. The Soviet citizen is guaranteed by law that no deviation from his complete and unquestioning allegiance to the Kremlin will be tolerated.

4. The right of free assembly in front of foreign embassies, to protest the acts of imperialist capitalistic powers in imposing freedom on their peoples will never be denied to any Soviet citizen.

5. The Soviet Union will defend to the death—the citizen's death, if need be—his right to say and write and believe the truth as the party sees it.

6. No Soviet voter, regardless of race, creed, or present condition of servitude, will be denied the right to cast his vote for the candidate of his party's choice.

7. No test of moral character will ever be required of any aspirant to public office.

The simplicity of his own election system doubtlessly makes it impossible for Khrushchev to appreciate fully the complexities of our own. He is accustomed to a single platform and a single, prefabricated public opinion which accepts that platform without question. No need to pay for television time—or to ask for equal time in order to blast the opposition. In Soviet Russia the citizen's mind can tune in to only one channel—and whether the show pleases him or not, when the "applause" sign goes up he had better applaud.

Here in America our candidates vie with one another in depicting the better life, the greater area of success and opportunity, that they think their election to office will assure. In Russia, no need for this competition. The better life is one of the best guarded secrets in the Communist world. Khrushchev, of course, would be reluctant to admit it, but the most popular and widely used home appliance in the Soviet Union is powered entirely by muscle and is known as the Soviet wife. The electric refrigerator is on the classified list, and the home incinerator is still on the drawing board.

In Russian elections, unlike those in America, there is no need to wonder how the farm bloc will vote, whether the workers will go along with a minimum wage law, how much unrest there is among the citrusgrowers, or whether taxes can be raised without lowering hopes for victory. This removes all necessity for election debate. And on election night nobody is obliged to stay up, wondering, hoping or praying. Their goose is not only cooked. It is precooked.

Thus, Mr. Khrushchev does not need a Gallup Poll to see how well his party is doing. He knows! The first election slogan a Russian learns is: "He who deviates is lost." There are no capitalist prize contests in Soviet Russia, but everybody is eligible for a one-way, all-expense trip to Siberia. He can sign up an election booth by writing the one word "Nyet."

Let us assume, however, that the will of the people did find the opportunity to assert itself in Russia. Let us consider what the voting trend would be in an election where the traditional one-party system was abolished, and the Soviet citizen, the manacles on his mind and heart removed, was allowed to choose freely the political platform which responded to his convictions, his yearnings, his aspirations.

In such an election struggle between the forces of communism and the forces of freedom, is there any question as to the final outcome?

Does a citizen vote for the truth or for lies dressed up as the truth?

Does a citizen vote for his freedom or does he vote to relinquish that freedom?

Does a citizen vote for the right to speak or the right to be silent?

Does a citizen vote for his dignity as a man or for his nonentity as a statistic?

Does a citizen vote to make the dove of peace an authentic dove, or a vulture dressed up like a dove?

Does a citizen vote for the policy of capturing foreign peoples and caging them in compounds of tyranny, or does he vote for the love of freedom which he finds in his own heart?

Does a citizen vote self-realization into his life, or does he vote for the power of the state to move him at will on the chessboard of political expediency?

Does a citizen vote for an economic system which gives him his rightful share of the blessings and advantages of modern technology, in the form of consumer goods, or does he vote to make a colossus a bigger colossus, to spend his life fattening and extending the black shadow which his nation casts across the world?

These and many comparable election choices would face the Soviet citizen in the kind of balloting which is presently denied him. We know what the final tally would be. We know that is precisely the reason why such an election is not in the mind of Mr. Khrushchev. He has no desire to commit suicide in an election booth.

We would ask him, therefore, not to intrude personally in the area of freedom represented by our national elections. It is an area where he would not feel at home, and where his advice has the authentic ring of a convicted murderer preaching a sermon on the sanctity of life.

At the same time, it would be starry-eyed on our part to pretend that our national elections are going to take place in an isolation booth unaffected by the hard realities and the existent pressures when Khrushchev and communism represent in this world. Whether we like it or not, our thinking, our policies, our acts as a nation must inevitably be equated with what communism stands for, with what it seeks to achieve, and with the methods and techniques it employs. To say that the shadow of communism must not fall over our national election is like saying that if we close our eyes the ominous dark clouds will disappear. It is not a case of wisdom or stupidity. It is the acceptance of life as it is, of the climate we cannot change by wishing, of a disease against which this Nation, like other free nations, has not yet been able to seal itself hermetically. Khrushchev will not be a delegate to either of the two political conventions—but what he represents will be there, and what this man represents cannot be ignored.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, a very brief analysis of the Japanese situation which was enunciated by the distinguished Under Secretary of State, Douglas Dillon, as guest on my television program in New York State yesterday. I think it is helpful and illuminating to all of us.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM INTERVIEW OF HON. DOUGLAS DILLON, UNDER SECRETARY OF STATE, BY SENATOR KENNETH B. KEATING ON TELEVISION PROGRAM, "LET'S LOOK AT CONGRESS," SUNDAY, JUNE 26, 1960

Senator KEATING. I want to ask you now about the Japanese situation. In your opinion, was the State Department kept properly informed of the events in Japan?

Mr. DILLON. Oh, yes. We were fully informed regularly every day by Ambassador MacArthur, and we have no fault to find whatsoever with the information he gave us.

Senator KEATING. Well, then, why wasn't the President's visit canceled earlier?

Mr. DILLON. Well, the situation there was that the President's visit was part of an exchange of visits with the Crown Prince of Japan to celebrate the hundredth anniversary of Japanese-American relations. It became obvious that this was being caught up—this celebration—in an extraneous manner, the passage of this mutual security treaty. The Communists were making a great effort here—this small minority—so naturally we asked the Japanese Government what their views were on this subject. We were in very close touch with them all through this period but the President has been invited and we felt and we still do feel that it is up to the Japanese Government to make this decision. The Japanese Government did feel right up to the last, and they were the best people to judge this thing, that they could handle the situation. Finally, they decided that they could not handle it without violence which they thought would do greater harm to the United States-Japanese relations than having the visit postponed. They asked the President if he would postpone it and that time he readily assented.

It would have been improper for him to tell the Japanese that he wouldn't come.

Senator KEATING. Do you think there was any mistake made in not canceling it earlier?

Mr. DILLON. No, I do not.

Senator KEATING. How do you reconcile the fact that the news reports say that the Japanese are not anti-American with the large number of rioters that opposed the United States-Japanese Treaty and also opposed the President's visit.

Mr. DILLON. Well, I'd like to say one thing about that. First there were large numbers of people in Tokyo who demonstrated—marched—in opposition to this treaty. But the rioters were a much smaller number, and the rioters were distinctly Communist-led and were pretty solidly composed of Communist elements in Japan. And one of the good things that has come out of this is that it has opened the eyes of the Japanese people to the ways the Communists operate and what they are able and willing to do. Now the mass of people that demonstrated—marched—were motivated by something quite different. It's a feeling of extreme pacifism in Japan which came from the results of the war, a feeling that they would like to let the world go by and not bother them and the feeling that maybe by this arrangement they will in some way get themselves too closely involved in the world struggle between communism and freedom. I think that now they have seen it is more difficult to stay to one side and the actions of the Communists, in dragging them in against their will, into a major political problem here, this may be very good. Now these same people have no anti-American feeling. There were no demonstrations against American citizens in Japan and none against any of our bases.

Senator KEATING. Do you foresee any change in our policies as a result of these recent events in Tokyo?

Mr. DILLON. No, I think that we'll continue. What will happen will be, I presume, a change in government in Japan and an election in Japan. Information we get from Japanese sources and from our people is that the Party which Prime Minister Kishi belongs to—which has been in power in Japan since the liberation—will again be returned to office. It will be a question of working together with the Japanese people to help them as we have in the past.

PRODUCTION AND CONSERVATION OF COAL IN THE UNITED STATES

The Senate resumed the consideration of the bill (H.R. 3375) to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research, and for other purposes.

Mr. RANDOLPH. Mr. President, I speak in support of H.R. 3375. In 1955, the President's Advisory Committee on Energy Supplies and Resources Policy referred to the "great national asset" of our coal industry and resources and recommended a cooperative industry-Government study for research and development possibilities. The failure to implement this recommendation has resulted in the loss of much valuable time that cannot be regained. Yet, we may at least forestall further delay by acting with dispatch on the measure before us. In so doing, we shall acknowledge the demands for research and development in a vital industry which are increasingly called for by domestic conditions and international tensions.

In the present era of technological change, whole industries—and the businesses and people which depend upon them—have a vital stake in keeping pace with the scientific and technical advances that occur. The growing importance of industrial research and resources development is particularly relevant to the coal industry and the coal-producing regions.

Citizens in these regions are singularly aware of the results of and need for research and development. They have felt in their own lives the impact of technological changes which have been made in order that coal might maintain a reasonably competitive position in the fuel markets.

Though the coal industry is still sustained by the traditional users of the steel and electrical power industries, the utilization of coal must be diversified in the interest both of broadening the base for coal markets and to provide new industries and new employment for the chronic labor surplus in the coal regions.

Though I have advocated the kind of diversification which one might hope will result from an expanded research program, there is little doubt that the principal coal uses within the foreseeable future will continue to be in the production of steel and steam-generated power.

It is expected that a growing steel capacity and expanded need will account for as much as a 35-percent increase in the requirement for metallurgical or coking coal—or to perhaps 135 million tons—in the decade of the 1970's. Yet, an executive of one of the large coal producers with extensive operations in West Virginia recently stated that his company has expanded its coke research facilities into one of the top specialized installations in order to keep coal and coke uses abreast of technological changes in steelmaking and competitive with other fuels or potential fuels in that segment of the market.

Our national security and the requirements of a sturdy national economy demand a healthy coal industry and the development and maintenance of a balanced fuels policy. This should be one of the prime objectives of our Federal Government in an era of continuing international crises. For this reason I have aggressively advocated a mandatory and effective quota system to control imports of foreign residual oil, Federal and State governmental programs for research in coal and other natural resource fuels, and a joint congressional study to determine whether or not there is need for a national fuels policy.

Unrestricted import of cheap foreign residual oil has worked grave hardship upon our domestic fuel industries, and if allowed to continue, can be destructive of both our coal industry and our independent oil and gas industry. Neglect of research and development, especially in view of the rapid and aggressive technological development of the Soviet Union, can be a catastrophe. And the failure to adopt a coherent and balanced national fuels policy would place our Nation in grave peril in time of a national emergency.

It is my faith in the belief that these actions will be taken that leads me to foresee the time in the not-too-distant future when there will occur a dramatic research breakthrough which will portend significant and economically feasible new uses for coal. We have seen the pattern of such development in the petrochemical industry. With the will to apply our tremendous research and scientific talents to the task, we can repeat the process in the coal industry. One exciting prospect is held forth in the development of a coal-based binder for bituminous concrete highway and airport surfaces, now under investigation.

My personal interest in the subject of Government participation in research investigations of our vital natural resource minerals is a longstanding one. During my membership in the House of Representatives, dating back to the early 1930's, I was a member of the Committee on Mines and Mining of that body and chairman of its subcommittees on coal.

With the distinguished senior Senator from Wyoming, who is voluntarily retiring from this body after a remarkable record of achievement, I coauthored and cosponsored the O'Mahoney-Randolph Synthetic Liquid Fuels Act of 1944. This measure, originally conceived and passed under the stress of wartime demands for liquid fuels to supply our Armed Forces, was extended into a 10-year plan which authorized the establishment of a Government research project to ascertain the possibility of producing synthetic fuels from coal and oil shale. Unfortunately, after the pressure of wartime demands had receded this important research activity was allowed to drift and finally expire, despite the achievement of substantial progress.

Mr. President, I continue to be an advocate of cooperative public and private research programs to find new or improved extractive methods as well as new and more effective uses for our natural resource minerals.

Last year, private industry spent an estimated $4 billion on research. Surely, the Federal Government should not do less than is provided in the relatively modest provisions of the pending bill for promoting the development and utilization of one of our basic natural resource minerals.

Mr. President. I congratulate the Senator from Utah [Mr. Moss] for his efforts in this particular problem. I also wish to commend our able leadership through Senator JOHNSON and Senator DIRKSEN, and the activity of my esteemed colleague, the Senator from West Virginia [Mr. BYRD], and all Members of the Congress who have supported this legislation.

Mr. CLARK. Mr. President, the coal research bill—H.R. 3375—now being considered by the Senate, has the support of all Senators from the 27 coal States—Republicans and Democrats alike. I think that the bill deserves, and I am confident that it will have, the support of all other Senators as well.

The case for this bill cannot be stated more cogently than it was in the excellent report—85th Congress, 1st session, House Report 1263—submitted on May 27, 1957, by Senator ENGLE, then chairman of the House Interior Committee. That report emphasized the following points:

First. The coal reserves of the United States, good for 1,900 years at the current rate of production of 500 million tons per year, are this Nation's "greatest mineral resource available for immediate development and use."

Second. The coal-mining industry, strong and thriving 50 years ago, has been beset in recent decades with "economic ills, widespread mine shutdowns, staggering unemployment among coal miners, and an uphill struggle for survival."

Third. Research and development to promote new and improved means of using coal have been "woefully inadequate," totaling $17,382,400 for bituminous coal and not more than $1 million for anthracite coal in 1955.

Production, unemployment, and research in the coal industry have changed little in the intervening period.

Production, while rising, is still running at a rate of less than 500 million tons per year. According to a speech given by Secretary of the Interior Seaton in Pittsburgh on May 10, total coal production this year will be approximately 430 million tons.

Chronic unemployment in the coal areas persists. The finding of the Special

Committee on Unemployment Problems included the following:

The bituminous coal mining industry offers a dramatic illustration of the displacement of men by machines. In 1937, the industry produced over 445 million tons of coal with 491,864 employees. Increased use of machinery caused an 80-percent rise in average productivity in the last decade. The use of machinery was necessary if coal was to maintain its competitive position with other fuels, but the mechanization displaced almost 180,000 mineworkers and caused serious economic and social distress in the coal regions.

The Unemployment Committee recommended the establishment of a coal research and development agency as a step toward restoration of a strong economy in the coal regions of the Nation.

The sums being spent for coal research and development continue to be woefully inadequate. I have been advised by the Bureau of Mines that the total sum spent on coal research in the United States at present is probably still less than $20 million per year. This sum is less than two-tenths of 1 percent of the $12.5 billion spent for research and development last year by Government laboratories, scientific associations, and private research organizations. Compared with the $3.3 billion spent for research and development by the aircraft industry in 1959, the $1.6 billion spent by the electrical industry, the $638 million by the chemical industry, and the $260 million by the petroleum industry, the sums spent for coal research pale into insignificance.

The reason that more funds have not been spent by the coal industry for coal research is apparent from the decentralized nature of the industry. As noted on page 5 of the committee report, the latest information available shows that there were approximately 4,000 bituminous and lignite coal producers operating 7,856 mines in 27 States and some 800 anthracite producers in Pennsylvania and at least 98 percent of these producers are small and medium-sized operators. Modern research and development is an expensive activity and can be undertaken only by large business enterprises. The fragmentation of the coal industry and its highly competitive conditions have ruled out research activities on the part of all except a small handful of affluent mine operators.

Significantly, coal research has been given a higher priority in foreign countries than in the United States. Information I have received from the Bureau of Mines indicates that in West Germany alone about $15 million is spent annually for coal research. Coal research under three different Government agencies in Great Britain totaled $12½ million in 1957.

The Soviet Union, the world's largest producer of coal, has put about 50 percent more money into coal research than we have done in the United States. A letter which I received from Marling J. Ankeny, Director of the Bureau of Mines, dated February 26, includes the following statement:

Relying now on Russian reports of their own efforts as published in "The Coal Industry of the U.S.S.R., 1917–57," 14 scientific research institutes working on coal had a total research budget of approximately $20 million, and employed 7,000 people, of whom 300 or more had advanced degrees. In addition, 5 coal mine and equipment development and construction institutes, employing another 4,000 people, had a research budget of about $11 million. The total research effort appears to represent an investment of $31 million.

Director Ankeny added that "important research is also going on in Poland, Czechoslovakia, and East Germany."

I am gratified that the committee saw fit to amend the House bill—H.R. 3375—by adopting the major proposals contained in the coal research bill—S. 2885—which I introduced on January 22, 1960, on behalf of Senators MURRAY, MCGEE, CARROLL, RANDOLPH, DOUGLAS, BYRD of West Virginia, and myself.

The first committee amendment, which specifies that the research activities called for in the bill shall be carried out by an Office of Coal Research within the Department of the Interior, was suggested in our bill. The House-passed bill merely stated that the Secretary of the Interior should undertake certain research projects. It seemed to us that it would be desirable to require that R. & D. projects authorized in the bill be undertaken by a new Office of Coal Research, so that the work would not be placed under the jurisdiction of the Bureau of Mines.

While I have the highest respect for the Bureau of Mines and its personnel, the research work which it has carried on in recent years, as noted on page 7 of the report, has been almost exclusively devoted to long-range theoretical research not designed to solve the immediate and pressing problems confronting the industry.

The other major amendment approved by the committee was the adoption of the provisions in our bill—S. 2885—spelling out the duties and obligations of the technical advisory committees to advise the Secretary on coal research matters. The powers and duties of the advisory committees were not detailed in the House-passed measure.

I am pleased to note that the committee amendments have been approved by the Department of the Interior.

We passed a good coal research bill last year but the President ignored the urgent needs of the men who work in the coal industry and vetoed the bill on the stated ground that the research called for in that bill should have been under the direction of the Secretary of the Interior. The bill now before the Senate conforms to the President's requirements.

Nine long months have been lost because of the President's veto. I trust that the research program called for in the pending bill will be carried out as expeditiously as possible. We must create without further delay the best coal research and development program modern science will permit.

Mr. MOSS. Mr. President, this is a very important piece of legislation and is an answer to a need that has long been recognized.

Last year the Congress passed a somewhat similar bill which was vetoed by the President. Every effort has been made by those who drafted H.R. 3375 in the House and Senate Interior and Insular Affairs Committees to eliminate from it those features which the President found objectionable when he vetoed the predecessor bill.

The principal difference between H.R. 3375 and the bill vetoed is that the previous bill would have created a special Coal Research and Development Commission, operating with a degree of independence from the Department of the Interior. In his veto message the President gave as his reason for doing so that the establishment of such an agency outside the Department of the Interior "could only be a blurring of the lines of governmental responsibility in this important area of concern."

The veto message also pointed out that legislation authorizing the Secretary of the Interior to contract for coal research, as is done in H.R. 3375, "is highly desirable and I urge the Congress to enact legislation granting such authority to the Secretary."

H.R. 3375 as passed by the House would authorize the appropriation of not more than $2 million for the fiscal year beginning July 1, 1960. Additional sums as needed for the following years are authorized. All sums appropriated will remain available until expended.

The Senate Interior and Insular Affairs Committee saw fit to propose two principal amendments, neither of which is violative of administration proposals. One would insure the setting up of a separate Office of Coal Research within the Department of the Interior whose functions it is expected will be supplemental to and in addition to coal research programs now carried on by the Bureau of Mines, it having become evident that these current research projects are not wide enough in their scope.

The second amendment would spell out the duties and functions of technical advisory committees which the Secretary of the Interior may appoint.

The language of these two amendments, as is pointed out in Report No. 1494 which accompanies the bill, "was carefully and painstakingly worked out in a series of conferences with the Assistant Secretary of the Interior in charge of minerals and with the Office of Secretary of the Interior Fred A. Seaton, and the amendments have the approval of the Department of the Interior."

Other amendments offered by the Senate Interior and Insular Affairs Committee are technical in nature and involve, in the main, renumbering of sections.

The only change in existing law is that the Office of Director of Coal Research, created by the bill, is added to the list of officers and positions covered by the Federal Executive Pay Act of 1956.

Mr. President, I am prepared to vote, and I hope the Senate will support and pass H.R. 3375.

Mr. COOPER. Mr. President, I support the bill, H.R. 3375, to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research.

I congratulate the distinguished Senator from Utah [Mr. Moss] and other Senators for their work in the Committee on Interior and Insular Affairs in presenting the bill to the Senate.

It will be remembered that a year ago the Congress passed a bill to establish a special Coal Research and Development Commission which would operate outside the Department of the Interior. At that time Congress had before it a bill which had been recommended by the President. The President vetoed the bill which had been passed by Congress. He did so, among other reasons, upon the ground that he believed it would be proper for the work to be kept within the Department of the Interior. I am very glad that the bill carries out the recommendations made by the President at that time. He supports the bill which is now before us.

The bill provides for a comprehensive coal research program. It will promote coordination of all Government and private research projects. It will develop, in conjunction with advisory committees, specific projects. It will give to the Office to be established within the Department of the Interior the authority to negotiate contracts for research by trade associations, educational institutions, and responsible State agencies.

I may say also that the administration has carried out its commitment, made last year, when it said it would provide the money for the proposed Office in the Department of the Interior.

It appears from the committee report that $1 million will be immediately allocated to the Office on Coal Research from the President's Emergency Fund; and further, a supplemental appropriation of $1 million will be recommended to meet the authorization of $2 million proposed by H.R. 3375.

Frankly, my interest in the proposed legislation arises primarily from my interest in the coal industry in the State of Kentucky. Kentucky is the third largest coal producer among the States, and is estimated to be the fifth richest State in coal reserves in the Nation.

In the past, Kentucky had a prosperous coal industry. Today, thousands of Kentucky's coal miners are out of work, and their families depend chiefly on surplus food. Mine operators face the loss of their investments, and the total economy in the coal regions, particularly in eastern Kentucky, is threatened. This is due chiefly to technological advances in the industry. One miner today can produce an average of 14 to 15 tons of coal a day, compared with an average of 3 or 4 tons a day immediately prior to World War II. In fact, in some of the more advanced mines, one miner can produce from 35 to 40 tons a day with help of modern machinery.

Throughout the years, coal has represented a major source of income to Kentucky miners, mine operators, the railroads, and the business community generally in the eastern Kentucky and western Kentucky coal fields. The development of the Ohio and Green Rivers in western Kentucky has given assistance to the western Kentucky coal fields. In fact, production in the western Kentucky coal fields has increased chiefly because of the development of the Green River. I am glad that in 1953 and 1954 the development was commenced and it has progressed year after year. In eastern Kentucky coal production has gone down.

However, taking into account the present situation, whether in Kentucky or in other coal-producing States, it became evident that it was imperative that Congress take positive steps to initiate a program of coal research. The Bureau of Mines and the Bituminous Coal Institute, the latter comprising both mine and union—the United Mine Workers of America, under the leadership of Mr. John L. Lewis, and the present president, Mr. Thomas Kennedy—have valiantly attempted to do their part in coal research—and they have done much. However, if any substantial breakthrough in coal research is to occur, there must be substantial encouragement, funds, and organization provided by Congress, such as would be made available by the current legislation.

The bill we consider today offers the way. This is not a sectional program; there are large coal-producing States and significant coal reserves in almost every region of the United States. The difficult problems of the coal industry apply to all regions.

I agree with the Senators from West Virginia and Pennsylvania that, from the standpoint of the national interest, we should ever keep in mind the national dependence on coal as a source of energy, both in peacetime and in time of national emergency. Our coal reserves at the present rate of consumption are sufficient for the next 1,900 years. Other sources of energy may be limited. Coal is far and away our greatest available source of energy. The history of World War I, World War II, and the Korean war testify that coal is crucial for national defense purposes. Wholesale conversions to other fuels have taken place in recent years. There has been an increasing and growing dependence upon imported oils and residual oils.

In time of war, or other emergency, these foreign sources might be cut off, and our domestic fuel reserves would be inadequate.

Little has been done thus far to correct the basic reasons for this situation or to provide research. Witness after witness has testified that there is a desperate need for research in the industry to uncover new uses and production methods for coal. The committee heard the story that in a typical year—1955—only $17.4 million was spent on research in the coal industry. However, in the petroleum industry, research expenditures totaled $145.9 million, and in the chemical industry they amount to $361.1 million.

Tremendous possibilities in research exist, but they have not yet been sufficiently financed or explored.

The bill, in the introduction of which I have joined as a cosponsor, and in which my colleague from Kentucky [Mr. MORTON] and Senators from other coal-producing States have also joined as cosponsors, is a step toward providing the necessary research. As I have said, Bituminous Coal Research, Inc., an agency of the private coal industry, and the United Mine Workers of America, carry on a continuous research program and have contributed much to coal research. However, it has not been possible for them, with their resources, to do more than scratch the surface in comparison with competitive industries. Nevertheless, even in their research, they have found that there are some 209 projects which could be undertaken in the field of coal research. Nine major categories were listed: Coal resources, mining, preparation, storage and transportation, combustion, coke and coal, chemicals, gasification of coal, coal hydrogenation, oil, and chemical properties. And undoubtedly there are others.

We are hopeful that the bill, which would establish an Office of Coal Research in the Department of the Interior, and which the administration, carrying out its commitments, agrees to finance, will provide a basis for the beginning of a fruitful coal research and development program.

As one of the representatives of Kentucky, which is the third largest producer of coal in the Nation, I am happy that this forward step is being taken. I am glad it is being taken because it has been demonstrated that coal is the greatest source of energy for our Nation today, and for its future, and that it is absolutely essential in time of national emergency, and for the national defense.

I speak for this bill. I have supported it throughout the years, I have joined in the introduction, and I am glad to vote for it today.

Mr. MOSS. Mr. President, I ask that the amendments be considered en bloc.

The PRESIDING OFFICER (Mr. BUSH in the chair). Is there objection? Without objection, it is so ordered.

The question now is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. CAPEHART. Mr. President, the coal research bill has not yet been passed, has it?

The PRESIDING OFFICER. No; that bill is still open to amendment, and the Senator from Indiana has the floor.

WOODROW WILSON MEMORIAL COMMISSION

The PRESIDING OFFICER. The Chair asks the Senator from Indiana to suspend, for the morning hour has ended; and the Chair now lays before the Senate the unfinished business, which will be read by title.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 152) authorizing the creation of a commission to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson.

PRODUCTION AND CONSERVATION OF COAL IN THE UNITED STATES

Mr. BIBLE. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate resume the consideration of Calendar No. 1555, House bill 3375, to encourage and stimulate the production and conservation of coal through research.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 3375) to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research, and for other purposes.

Mr. CAPEHART. Mr. President, I have no objection at all to the bill; in fact, I am a great believer in research. As a businessman, I practiced research in a very, very successful way; and I favor research in the coal industry.

But I wish to call the attention of the Senate to the fact that a research bill for the purpose of finding new uses for farm products in industry and for the purpose of finding new markets for farm products is pending. I have introduced that bill on a number of occasions, in the past 3 or 4 years, and practically every Senator has joined me in sponsoring the bill. There is now in conference between the House and the Senate such a bill. But, for some reason—and I do not know what it is—there has been no meeting of the conferees.

I should like to ask those who are responsible for this particular measure and the Senators who are responsible for the conference report why they have not met with the House conferees and reported favorably to both Houses an agreement.

Why are we so much interested in finding new uses for coal, in order to permit coal to compete with farm products; and yet we fail to have a conference—here at the tail end of the session—on a bill to find new uses for farm products? In the United States there are 5 million or 6 million farmers, whereas we do not have too many coal mines.

Mr. President, again I wish to say that I am in favor of the coal research bill and research to find new uses for coal. I am 100 percent in favor of that, just as I am in favor of all kinds of research.

But at a time when farm commodity prices are going down, and when the farmers are having smaller net incomes, and when the total cost to the American taxpayers of supporting the prices of agricultural commodities is rising, and when the agricultural surpluses are increasing in quantity, and when there is long delay in awaiting a conference report on the bill to solve this situation why is it that, although Senators are interested in a coal research bill, not nearly so many of them seem to be interested in the bill to find new uses for farm products in industry?

Mr. President, who is responsible for holding up the conference report on the bill to find new uses for farm products in industry?

Who is responsible for holding up that research bill on farm products? I do not know; I am asking the question. I find that the bill went to conference on June 1, almost 1 month ago.

Mr. President, why is it that no effort, so far as I can ascertain, is being made to arrive at a conference agreement on the bill, a bill which, if enacted into law, will decrease the surpluses of agricultural commodities and will increase the income of the farmers. Why is it that nothing is being done about that bill; and yet now we are about to pass a new bill, which is for the purpose of finding new uses for coal, in order to permit coal to compete with farm products? I hasten to state again that I favor the coal research bill; I am not opposed to it. For instance, the other day the Vice President said, during the speeches he made in the West, that the biggest domestic problem is the farm problem; and I have heard many Senators say the same thing, here on the floor of the Senate; and I am sure that when the taxpayers find that the bill for supporting the prices for agricultural commodities amounts to several billions of dollars a year, most will agree that it is quite an issue. Yet we have not been able to have a conference agreement. We have not been able to get that bill through the Congress and sent to the President, for his signature. Yet that bill is, at the moment, in conference between the two Houses, and it has been there for the biggest part of 30 days.

I should like to ask the able majority leader whether in his opinion it will be possible to get that bill out of conference and finally acted on by the two Houses and sent to the President, for him to sign, so that it will become law, before the Congress ends this session.

Mr. JOHNSON of Texas. I hope so.

Mr. CAPEHART. I know the Senator from Texas hopes so.

Mr. JOHNSON of Texas. I do not know what the conferees will be able to agree to. I do not even know that they will agree on the coal research bill, if it goes to conference.

I think the coal research bill should be passed and should go to conference, just as the agricultural research bill—as I understand—has been passed and has gone to conference. I know of no reason why we should hold up this bill.

Mr. CAPEHART. I have already stated three times that I am 100 percent in favor of this coal research bill, and I will vote for it. I am only trying to find out why the farm research bill is being held up in conference, and no action is being taken on it. As I recall, the Senate passed the bill some months ago. In fact, the Senate has passed such a bill three or four times, but each time it has gotten bogged down in the House of Representatives.

This time, both the House and the Senate have passed a farm research bill, but it seems to be bogged down in conference.

My question is whether there is any way to get the conferees to act on the farm research bill, so it can become law at this session.

I am 100 percent in favor of the coal research bill and any other research bill which may come before the Congress, for I am a great believer in research. In fact, research is the only way we can keep the Nation prosperous.

Mr. JOHNSON of Texas. I am glad we have a RECORD, and that it records what the Senator from Indiana has to say. I am sure the Members of Congress will read that RECORD, and the conferees will review what the Senator from Indiana has said and the recommendations he has made, and will give them such credit as in their judgment they think they are entitled to.

I should like to see an agricultural research bill passed. The Senator has talked to me about it several times. We brought up the bill by motion, and it was passed in the Senate. I have no control over the conferees, and neither does the Senator from Indiana. All we can do is express the hope that, in their wisdom, the conferees will reach some agreement which both Houses of Congress can accept.

Mr. CAPEHART. I thank the majority leader.

I hope the conferees will agree upon a conference report which will be accepted by both the House and the Senate, and that the President will sign the bill, with the result that it will become law, because I see no sense in continuing to spend billions and billions of dollars to support the price of agricultural commodities, when the answer and the solution is in finding new markets and new uses for farm products in industry, in order to eliminate the surpluses and give the farmers new outlets for all they can raise, and thereby insure their prosperity, which in my opinion will insure the prosperity of the Nation.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 3375) was read the third time and passed.

Mr. MOSS. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House, and that conferees on the part of the Senate be appointed.

The motion was agreed to; and the Presiding Officer appointed Mr. Moss, Mr. GRUENING, Mr. CARROLL, Mr. ALLOTT, and Mr. KUCHEL conferees on the part of the Senate.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Would it be in order to move to reconsider the vote by which the bill was passed?

The PRESIDING OFFICER. The motion would be in order.

Mr. CLARK. I so move.

Mr. BIBLE. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada to lay on the table the motion of the Senator from Pennsylvania.

The motion to lay on the table was agreed to.

IMPROVEMENT OF MASS TRANSPORTATION SERVICES IN METROPOLITAN AREAS

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1653, Senate bill 3278, the mass transportation bill, and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3278) to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing Amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with an amendment, to strike out all after the enacting clause and insert:

POLICY AND PURPOSE

SECTION 1. It is the declared policy of the Congress to assist wherever possible the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States. The Congress finds that among the most serious problems confronting metropolitan areas are the lack of adequate and coordinated mass-transportation facilities and services, and a lack of comprehensive and interrelated transportation and metropolitan area planning and development. The Congress further finds that the economic welfare of our major metropolitan centers is a matter of critical national concern and that such welfare is threatened by inadequate mass transportation services.

It is the purpose of this Act to assist and encourage the States and local governments, and their public instrumentalities, to undertake the necessary studies and planning, along with other urban planning activities presently assisted by the Federal Government (1) to determine the total transportation needs of metropolitan areas, (2) to formulate a program for the most efficient and economical coordination, integration, and joint use of existing mass-transportation facilities, and (3) to study the interrelationship between metropolitan area growth and the establishment of various transportation systems for such areas in order to promote the most comprehensive planning and development of both.

It is further the purpose of this Act to broaden the public facility loan program to specifically authorize financial assistance to the States and local governments, and their public instrumentalities, to provide facilities and equipment for use in mass-transit or commuter service in urban areas, and to integrate and coordinate highway, bus, surface-rail, underground, and other mass-transportation systems in such areas.

URBAN PLANNING GRANTS

SEC. 2. (a) Section 701(a) of the Housing Act of 1954 is amended by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following:

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning on a continuing basis by State and local governments for urban development and the coordination of transportation systems in urban areas, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—".

(b) Section 701 of the Housing Act of 1954 is further amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) a new subsection as follows:

"(d) The Administrator shall encourage (1) planning to determine transportation needs and to coordinate and integrate the various elements of mass-transportation systems in metropolitan areas, (2) the coordination of planning activities of the public bodies or agencies responsible for regulating or providing mass-transportation services in such areas, and (3) the carrying out of studies concerning the interrelationship of transportation and urban development, including the impact of land use and metropolitan growth on the total transportation needs of such areas."

PUBLIC FACILITY LOANS

SEC. 3. (a) Section 202(a) of the Housing Amendments of 1955 is amended to read as follows:

"SEC. 202. (a) The Housing and Home Finance Administrator, acting through the Community Facilities Administration, is authorized to purchase the securities and obligations of, or make loans to, States, counties, municipalities, and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities, and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State—

"(1) to finance specific public projects under State or municipal law: *Provided*, That no such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses; and

"(2) to finance the acquisition, construction, reconstruction, maintenance, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass-transit or commuter service in urban areas, and to integrate and coordinate highway, bus, surface-rail, underground, and other mass-transportation systems in such areas: *Provided*, That the total amount of purchases and loans which are outstanding at any one time under this clause (2) shall not exceed $100,000,000. As used in this clause (2), facilities shall be construed to include land, excluding public highways, and any other real or personal property necessary for use in mass transportation."

(b) Subsection (b) of section 202 of the Housing Amendments of 1955 is amended (A) by striking out the matter preceding the first comma in paragraph (1) and inserting in lieu thereof the following: "No financial assistance shall be extended (i) under subsection (a)(1) of this section unless the financial assistance applied for is not otherwise available on reasonable terms, or (ii) under subsection (a)(2) of this section unless the financial assistance applied for is not otherwise available on equally favorable terms"; and (B) by adding at the end of such subsection a new paragraph as follows:

"(3) Interest shall be charged on loans made under subsection (a)(2) of this section at a rate determined by the Administrator which shall not be more than the total of one-quarter of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 203 of this title."

(c) Section 202(c) of the Housing Amendments of 1955 is amended (1) by striking out "this section" in the first sentence and inserting in lieu thereof "subsection (a)(1) of this section", and (2) by inserting immediately after the first sentence a new sentence as follows: "In the processing of applications for financial assistance under subsection (a)(2) of this section the Administrator shall give priority to the applications of those eligible applicants which he determines (1) have workable plans for the development of a coordinated mass transportation system and (2) have the most pressing need for such assistance."

(d) Section 203(a) of the Housing Amendments of 1955 is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, notes and other obligations in an amount not exceeding $300,000,000: *Provided*, That of the funds obtained through the issuance of such notes and other obligations not less than $100,000,000 shall be available for purchases and loans under section 202(a)(2) of this title."; and

(2) by inserting before the period at the end of the third sentence a semicolon and the following: "except that any notes or other obligations issued by the Administrator to the Secretary of the Treasury to obtain funds to provide financial assistance under section 202(a)(2) shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Administrator of such notes or other obligations, and adjusted to the nearest one-eighth of 1 per centum".

Mr. WILLIAMS of New Jersey. Mr. President, the United States is rapidly becoming an urban, cosmopolitan nation. The transformation is taking place so swiftly that it might almost be characterized as a revolution. This revolution of shifting populations and technological change is breeding a host of problems which we are only beginning to appreciate in full dimension and which we are only beginning to come to grips with.

The huge metropolitan concentrations lie like splotches on the map of the United States. Fundamentally their existence, their vitality and growth, depend on the urban transportation networks that sustain them and on the ribbon of roads, rails, and airlanes that tie them together.

By and large, our intercity transportation facilities are unexcelled. It is only when we enter the heart of our metropolitan centers that we run into an appalling bottleneck in the movement of people and goods.

The costs of urban traffic congestion are staggering. It has given impetus to the decline of central city population and to the deterioration of its economic health. It has accelerated the urban sprawl and the disappearance of open space and the pastoral landscape. It has spread urban slums and rural roadside

blight. It has snared millions of people in hours of frustrating, irritating, and costly delay. It has clogged the free flow of goods in the metropolitan areas, and therefore in interstate commerce. It is reducing the effectiveness of all forms of transportation—from buses and trucks to rail and airplane. Even a modest increase in urban traffic congestion could more than cancel out the advantages of the jet age, for example.

The problem is critical now. It threatens to become a catastrophe in the years ahead.

We are taking steps—and costly steps—to come to grips with this most fundamental of our urban problems, primarily with our $41 billion Federal highway program. But I am convinced that this badly needed effort in highway investment will itself be jeopardized if we do not soon begin to make a concerted, and balanced, attack on the urban transportation problem.

I emphasize balanced because our approach has so far been piecemeal and one sided. We have tried to meet all our urban transportation needs with the construction of roads and highways.

As a consequence, mass transportation has declined and deteriorated, partly because of our preoccupation with serving the needs of the automobile, and partly because the automobile has offered stiff competition. In the last 10 years ridership on all forms of mass transportation has declined 38 percent. By 1975 the number of vehicles on the road is expected to soar from the current level of 70 million to 113 million.

We must, of course, build for this increase in the number of cars on the road. But we have failed to realize the consequences of our roadbuilding effort if the serious decline in mass transportation is continued.

The consequence must inevitably be either a virtual paralysis of urban transportation—which this country cannot afford—or a vast enlargement of our highway program in urban areas.

To give just one illustration, the American Municipal Association, in a mass transportation survey, has estimated that if the cities of New York, Boston, Philadelphia, Cleveland, and Chicago were to lose just their rail commuter service, it would cost $31 billion at 30-year, 4-percent financing to build the highways necessary to serve a comparable number of people.

Applying this illustration nationwide, it is evident the attempt to compensate for the decline of mass transportation in urban areas by building more highways will require much higher gas taxes or a severe reduction in badly needed road construction in less populous outlying areas, where the automobile is the only mode of transportation available or feasible.

Thus, if only to preserve our huge investment in the highway program—to say nothing of the problems of providing adequate parking facilities in the cities and the loss of tax ratable property through urban highway construction—it is imperative that we revitalize our mass transportation systems.

They have been long neglected and ignored. Scarcely any attention has been paid to possible technological breakthroughs that would lessen the inconveniences and disadvantages of mass transportation travel in comparison with the automobile. In fact, we have not even paid enough attention to keep existing facilities up-to-date. Instead, we have permitted the financial squeeze of rising prices and falling revenue to continue unabated. The result has been an inevitable effort on the part of our mass transport carriers to abandon or curtail service, increase fares, defer maintenance, and forgo the modernization and improvement of their equipment and facilities.

The bill that is now before the Senate is a modest attempt to launch a more balanced attack on one of the most serious problems facing our metropolitan areas, which are the economic backbone of the Nation, inasmuch as they account for more than 75 percent of all the manufacturing, wholesale, and retail sales in the country.

Briefly, S. 3278 is divided into two parts. The first part authorizes the use of section 701 urban planning grants for comprehensive transportation and other urban planning. Its purpose is to emphasize the importance and inseparable relationship of comprehensive transportation planning, including mass transportation planning, to the overall development of metropolitan areas. This is particularly important because the Federal highway program is on the verge of making major changes on the urban landscape that will last for decades to come.

Most urban communities presently lack adequate comprehensive plans and they are virtually without plans for an areawide road and mass transportation network. Inasmuch as the urban communities must bear ultimate responsibility for the future growth of their own areas, it is important to encourage them in the kind of planning that will prepare them to incorporate the new highways to the best possible advantage of the community as a whole, taking future mass transportation requirements into consideration.

The second part of the bill provides low-cost loans, not to exceed $100 million, to State and local governments and their public instrumentalities to help them improve their mass transportation services.

The purpose of this program, which would be administered by the Housing and Home Finance Agency, is to permit the flexibility that will encourage local public bodies to experiment in meeting what they consider their most pressing needs in the field of mass transportation.

The bill recognizes that cities of differing size and character are faced with equally diverse transportation needs and that local public bodies, rather than the Federal Government, should have primary responsibility for determining the allocation of funds within prescribed limitations.

In many cases, the greatest need may be for the purchase of new railroad commuter cars. In other cases, there may be a need for the relocation of an antiquated railroad station closer to new population centers and arterial highways. The need in another city may be for the improvement and expansion of a downtown bus terminal, or the elimination of a stub-end subway terminal, or construction of fringe-area parking lots adjacent to bus or rail stations, or the modernization of traffic control systems. The needs will vary with each urban area.

In addition, the procedure of making the loans available to public bodies, in contrast to a program of direct Federal assistance to individual mass transportation carriers, is intended to stimulate the maximum degree or concern, involvement, and initiative on the part of the State and local governments, which in the long run will be as important as the dollar value of the assistance given.

One other feature of the bill is that it directs the Administrator to give priority to applicants that have a workable plan for the development of a coordinated mass transportation system and that have the most pressing need for such assistance.

This section will provide for a review by the Federal Government necessary to insure the most efficient use of funds. It is also intended, together with the planning authorization section, to stimulate more comprehensive planning on the part of the local communities.

Mr. President, I ask unanimous consent that a portion of the Banking and Currency Committee's report on S. 3278, which further documents the need for this bill, be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

NEED FOR LEGISLATION

Justification for legislation was clearly established in hearings held by the Subcommittee on Housing. While testimony received during these hearings produced abundant and forceful documentation of the problem and support for the bill, numerous prior studies and investigations also lend weight to the committee's recommendations.

In September 1957, the Governors of six Eastern States sponsored the Arden House Conference, which stated in its summary report that "at the heart of the problems of most metropolitan areas is the problem of mass transit. Because of the increasing use of private automobiles, the mass transit system is in serious difficulty, yet it is essential that it be preserved."

In 1959, a leading urban transportation authority, Wilfred Owen, in a book summarizing the results of a symposium devoted to the challenge of the new highways to the metropolitan region and sponsored by the Connecticut General Life Insurance Co., wrote that:

"The answer to the transportation problems of our densely built up urban centers does not lie in the private car alone * * *. Any real effort to make our vertical cities completely accessible by automobile would eliminate much of the downtown development that makes access worth while. In order to preserve the core of the large city, there should be a more balanced attention to all methods of movement—and this means that an adequate public-transit system is essential. Without it the motorist in today's big city may strangle in his own congestion * * *. Where rapid-transit lines already exist, facilities and equipment should be preserved and modernized to meet the requirements of present users. Subsidies for this purpose are warranted where they

will mean a net saving in total outlays for the transport system as a whole."

In a report to the National Academy of Sciences' Committee on Urban Research, Dr. Coleman Woodbury of the University of Wisconsin, cited a pressing need for study of the role of mass transit in metropolitan areas and observed: "In some of the larger urban areas at least, the postition of mass transit, particularly of rail commuting, seems to be at or very near a crisis * * *. Certainly, however, very little in the traffic situations in the most thoroughly motorized cities supports the rather common opinion that mass transit, per se, is obsolete and soon will be only a relic of the past in the United States, except in New York City and perhaps one or two other centers."

An important and tangible illustration of the growing recognition of the importance of rapid mass transit has resulted from extensive hearings in the 1st and 2d sessions of the 86th Congress by the Joint Committee on Washington Metropolitan Problems on a transportation plan for the area and on implementing legislation. The evidence leading to the formulation of the pending legislation, which is supported by the administration, has nationwide applicability.

The problem of commuter railroad losses has received special attention by both congressional committees and the executive departments, not only because the railroads provide a vital link in the mass transportation network, but also because they handle nearly 45 percent of all intercity freight.

As the Senate Interstate and Foreign Commerce Committee stated in its report on the Transportation Act of 1958, the commuter service problem is "a matter of deep concern to the Federal Government because of the impact that losing commuter service can have on the ability of an interstate rail carrier to render its interstate service."

Expressing the same sentiment in its March 1960 report on Federal transportation policy and program, the Department of Commerce noted that the Federal Government "has a deep concern in the railroad commutation passenger losses because of their effects upon the health of the railroad system and upon the extent to which the Nation can secure the benefit of the railroads' capability for mass long-distance transport of freight."

The Interstate Commerce Commission, following an exhaustive study of the railroad passenger train aspect of the problem, concluded in its report on May 18, 1959, that "railroad passenger service is, and for the foreseeable future will be, an integral part of our national transportation system and essential for the Nation's well-being and defense."

The Commission added: "We are impressed, however, with the urgency of the situation if existing rail passenger service is to be preserved and suggest that relief in obviously inequitable areas should not await detailed study of possible long-range adjustments but rather should be immediate."

During the course of the committee's hearings, the theme echoed by witness after witness was ably expressed by Luther Gulick, president of the Institute of Public Administration and lifetime scholar in the field of urban problems:

"So what we must recognize is that we are now * * * at the beginning of an extraordinary revolution in the pattern of urban life. This is not true only in the United States * * *. It is true all over the world * * *. The population is expanding, and they are crowding into the cities. So that the new pattern of urban life is a new pattern socially and economically and spacially, and the key of the whole business is transportation. Therefore, when I saw that your committee * * * was tackling this problem, I said 'This is the beginning of a new day for the American urban communities' * * *. S. 3278 represents, in the judgment of myself * * * an important step in the right direction. It could be as important for the metropolitan development of this country as were the early moves when this Government undertook to give direct help and assistance in the development of rural life in this country."

The committee received statements from Governors, mayors, urban transportation experts, railroad officials, businessmen, and planning officials representing all parts of the country, from Los Angeles and San Francisco to New York and Atlanta. Following are some excerpts from the record of the hearings:

Gov. Robert B. Meyner (State of New Jersey):

"Our cities are the nerve centers of this Nation, and if there is a breakdown of the transport network that sustains their economic health, the repercussions will be felt in every corner of this land. Each year we become more urbanized. There are population studies which indicate that by 1975 nearly 80 percent of a projected population of 215 million people will be concentrated in urban areas * * *. With each year the problem of moving great masses of people to and from work in the peak hours will grow more critical. We in New Jersey shudder at the new dimension that would be added to this problem if commuter railroads were to cease their services altogether, a prospect that grows more likely every day * * *. It has been my feeling that, considering the national overtones of this problem, the ultimate answer lies with some Federal action, but we have made determined efforts to mount a program locally * * *. (One) plan would make new equipment available to the (railroad) lines through financing by the Port of New York Authority. These are the first stages of the plan and they could be initiated promptly if funds under S. 3278 were to become available."

Harland Bartholomew, Chairman, National Capital Planning Commission:

"Mass transportation plans for our growing American communities have long been neglected. There are several reasons for this neglect. First is the fact that mass transportation was originally considered to be the exclusive field of private enterprise * * *. The second reason * * * was the belief, and the ill-favored hope that with the advent of the private automobile there would be no further need for extension of the mass transportation system. As a result of this general attitude, our mass transportation languished * * *. We only recently have come again to realize that mass transportation is a most necessary public service. Proper community development depends in many ways upon the free movement of people between places of residence, work, and shopping. Mass transportation as one of the means of achieving that free movement exerts a profound influence upon the direction of community growth. It can stimulate either an orderly or a disorderly and unbalanced growth, a congested or dispersed pattern of development. In short, mass transportation can be a major tool in shaping the form of the city * * *. S. 3278 will encourage and stimulate much-needed planning for metropolitan city areas and particularly for mass transportation planning as an urgent and dynamic part thereof. It will thus meet one of today's greatest public needs."

Dr. Detlev Bronk, president of the National Academy of Sciences:

"We have gotten into a perfectly ridiculous national situation with regard to transportation * * *. It is not so simple to say, 'We will just move out of the great congested centers of population.' There are very important economic implications for the whole country. We must solve the problems, not abandon them * * *. What the total bill for the commuters of this country is, I daresay, would be staggering. But what is perhaps even more important is the economic loss of unproductive time spent in sitting in cars, crowded with traffic, getting from one place to another, unproductive, unsatisfying, frequently irritating and frustrating. I could go on endlessly. The matter of getting food into places is becoming increasingly difficult because of the transportation situation. Consequently, the cost of feeding the people of the country is increasing beyond what it need be if we had more effective transportation facilities."

C. M. Gillis, executive director of the Los Angeles Metropolitan Transit Authority:

"In California, we believe we have the finest system of highways and freeways in the United States. Governor Brown recently joked that the Hollywood Freeway was the longest parking lot in the world. These freeways perform an amazing job, and yet they are filled to capacity on the day they are opened * * *. We in Los Angeles are attempting to find a (rapid transit) system that can be financed with revenue bonds, because that is the authority we now have in the State act, although to many, such financing appears to be highly unlikely. Certainly, Federal partnership in one of several ways would help a great deal. * * * It has been said that the metropolitan areas of the United States cannot afford a modern mass rapid transit system. I think it can just as reasonably be said that the metropolitan areas cannot afford not to have an up-to-date mass rapid transit system."

John M. Peirce, general manager, San Francisco Bay Area Rapid Transit District:

"The San Francisco Bay Area Rapid Transit District is now in the final weeks of developing plans for its five-county system of rail rapid transit [calling for] 132 miles of rail lines connecting the population centers of the bay area * * *. There is almost complete recognition of the fact that with the doubling of the San Francisco Bay area's population in the next 20 or 25 years, major dependence on private automobiles is virtually impossible. Water barriers, irregular terrain and limited land area for motor vehicle use, all contribute to the problem with which we are faced. Worst of all, if within the next 10 years we are unable to provide for accessibility to the core areas of our region and for free circulation of people within the area, our economy will be adversely affected and our future will be less optimistic than we otherwise hope it will be. Accordingly, we urge upon the Congress its favorable consideration of S. 3278, which we hope will give at least initial recognition to the congestion problem which is becoming worse in all of the Nation's metropolitan areas. In California the problem is compounded because of our dependence on motor vehicles for most public and private transportation, and also because of our tremendous population growth. And I should add that population growth in California's metropolitan areas is four times as great as in our rural areas."

Col. C. K. Harding, planning division, Georgia Department of Commerce:

"Transportation of the people from the entire metropolitan area and, of course, beyond those limits * * * is a terrific problem in Atlanta * * *. The city has * * * a metropolitan planning commission which was created by the general assembly of the State for the purpose of coming up with a master plan for the * * * metropolitan area * * *. They have determined that any system of expressways that are at all practical or feasible financially or physically, engineeringingly, will not be the answer to this problem. Their thinking now is that there must be some form of rapid transit, surface rapid transit, to take care of a great part of this burden * * *. One reason the * * * bill is attractive to us is because it does furnish money which is now not available. We just do not have the money. We need the Federal help."

Mayor ROBERT F. WAGNER (city of New York:

"The future of the country's major cities and metropolitan areas depends upon good transportation, including mass transit. * * * We need automobiles, of course. But if we are to accommodate the needs of people, now and in coming years, we must find ways to rehabilitate the movement of people in large numbers—and that means mass transportation * * *. The prospects for mass transportation in the New York-New Jersey-Connecticut metropolitan region are indeed grim unless immediate and decisive action is taken. We are not coming here hat in hand asking the Federal Government to take over * * *. My position is that New York City is prepared to carry its share of the burden. We provide tax abatement for communter railroads. We subsidize our New York City transit system to the tune of $90 million a year. And we think it is worth it. * * * But the preservation of urban transportation is a Federal problem too. * * * The provision * * * for a long-term, low-interest Federal loans, not to exceed $100 million, is a modest beginning for Federal participation."

James M. Symes, chairman of the board, Pennsylvania Railroad Co.:

"I have described our problems, and why we cannot afford to provide, let alone improve these services. I have shown how the Federal Government has poured millions of dollars into capital expenditures for other transportation facilities * * *. I have also told you of the terrific increase in debt of our local governments, and our State governments are in the same condition, all as a result of Federal activities. These are the reasons why funds for capital expenditures for mass transportation must come from the Federal Government. * * * S. 3278 represents an adequate vehicle with which to begin a transportation loan program upon which Congress can build in the future if the program proves to be successful in meeting the real need, and I am sure it will * * *. If this is not [passed], then the Federal Government will continue to waste money by destroying the central core of our cities, and will then spend billions to rehabilitate the damage and chaos it has created."

Mayor Anthony J. Celebrezze (city of Cleveland):

"The city of Cleveland was able to acquire the modern rapid transit system it now has through RFC financing. Other loans made throughout the Nation by the RFC were used to revive economic activities which I am sure have returned billions of dollars of additional revenue to our Federal Treasury. Similarly today, if you will take the prudent step of authorizing long-term, low-interest loans to improve mass transit facilities in our major metropolitan centers the additional wealth you will create by restoring business activity in these centers, the staggering loss in man hours you will eliminate, the protection of Federal investments in urban renewal you will achieve, will in the long run create billions of dollars of additional revenue for the Federal Government for a very modest investment."

E. Willard Dennis, past president and board chairman of Sibley, Lindsay & Curr Co., Rochester, N.Y., and former chairman of the Downtown Development Committee of the National Retail Merchants Association:

"When I make the brash statement that the problems of mass transit—meaning the daily movement of people by other means than the private automobile—must be solved very early in this decade, it should be noted that the observations following come from a businessman, a former department store executive * * *. In every one of the present and potential metropolitan areas, large or small, the central core city, the downtown, if you will, must be virile, progressive, aggressive, if its surrounding community hopes to grow and prosper in this highly competitive free enterprise system of ours. More importantly, the economic strength of each of these entities across the Nation must continue to develop and expand if this country is to cope successfully with the heightened competition rapidly developing in the economies of our allies of the free world and to provide an unbeatable bulwark against the threatening pressures of communism * * *. While cities have done too little in the field of mass transportation, and are late in starting, undoubtedly with the impetus given by the proposals listed in S. 3278, real progress will be made in this most important field of building downtown with mass transportation, controlling disorganizing congestion by good transit while making possible orderly mass distribution so vital to our economic life."

Charles A. Blessing, president, American Institute of Planners:

"We regard this bill as a particularly important supplement to other programs of aid to local communities. It encourages a coordination of land use and highway planning; it recognizes the competition between the highways and other forms of transportation and the necessity for the preservation of the other forms in order to maintain efficient highway systems. It offers a modest program of aid through an established Government agency with experience in this type of program. Of particular importance, this bill acknowledges the fact that differences can and do exist between urban areas, with respect to transportation needs and patterns of development. It offers communities the opportunity to exercise a reasonable local public choice of equitably financed transportation needs, based on their own determination of their own needs."

In considering the need for Federal assistance to help improve mass transportation services, the committee took careful note of the availability of funds from private sources, and of the efforts and ability of local governments to overcome the problem without Federal help.

With respect to the question of private financing, it is evidence that the financial condition of many transit and rail lines are such that borrowing at commercial rates would result in higher fixed charges of principal and interest than could be recovered through lower maintenance costs and possible passenger revenue increases. In such cases private borrowing would only increase losses.

The conclusion that mass transportation carriers are unable to utilize commercial sources is substantiated by the experience of the $500 million guarantee loan program provided for by the passage of the Transportation Act of 1958.

The act guarantees commercial lenders against any losses sustained through loans to the railroad industry for capital expenditures and maintenance of property. At present, loan applications have been filed for somewhat more than $90 million and approval has been given for $53 million. However, none of the loan guarantee applications has been for the purpose of directly improving rail commuter service. In some few cases, the improvements sought by the railroads have been of such a nature as to provide small incidental benefit to their commuter services.

As for the activity of local communities, the information supplied to the committee demonstrates that, while some communities have neglected the problem, the large majority of local governments are exerting very great and increasing efforts in a variety of ways to preserve, improve, and expand existing mass transportation services.

However, the public debt of State and local governments has risen 169 percent since 1950, or 15 times as fast the Federal debt increase of 11 percent in the same period; this has imposed severe strains on their ability to cope with the problem.

Local governments are particularly hampered by a convergence of forces requiring public expenditures at an accelerating pace on a diminishing tax base.

Most urban communities have been required to operate within constitutional debt limits and with considerably smaller allocations of funds from Federal and State Governments than the local communities originally contribute in taxes to those bodies.

In addition, the core cities which must provide mass transportation for a rapidly expanding areawide population have suffered a loss of retail sales and real estate tax revenue as traffic congestion drives more and more commercial business to outlying areas beyond the jurisdiction of the central city.

The same adverse effect on the tax base of the central city has resulted from the flight of middle- and upper-income families to the suburbs, leaving the core area with a predominantly low-income population which makes the smallest contribution to the revenue of the city but which requires the highest proportion of social and welfare services. But the families moving beyond the city's jurisdiction generally continue to require adequate transit services to and from the city.

Another serious drain on the city's tax base is caused by road and highway construction which replaces taxable property with nontaxable asphalt and cement. It was noted during the hearings that 68 percent of the land space of downtown Los Angeles is devoted to streets, highways, access roads, loading areas, and parking facilities. A similar decrease in tax-yielding land usage is being experienced by other cities.

As Mayor Celebrezze stated during the course of his testimony:

"In Cleveland our basic tax is a real estate tax. We have now the inner belt freeway which is in the process of completion. That is 3½ miles, and at a cost of some $75 million. But the sad part of it was that it went through a commercial district, and it took about $30 million worth of taxable property off the tax duplicate. Of course, it does not stop there. Then you have the question of maintenance. Well, part of the maintenance comes out of your gasoline tax, but taking care of the slopes and cutting the grass comes out of general operating funds, and therefore you have a greater burden on your general operating funds, and your tax duplicate keeps going down.

Finally, limited political jurisdictions have made it extremely difficult for most cities to make the areawide improvements necessary if mass transportation service is to be of maximum effectiveness. Most new suburban communities—already overburdened by the costs of providing new schools, roads, sewerage, gas facilities, fire and police protection—are hard pressed to help the central cities provide better mass transportation services. State governments are faced with much the same problem by virtue of the fact that 53 of the 180 standard metropolitan areas either cross or border State lines. A great deal of commutation is thus interstate in character.

It is clear that many urban communities will require the creation of public agencies with jurisdictions broad enough to cope with the problem on an areawide basis. It is hoped that the bill will stimulate this development, but it is unlikely that such agencies will have the kind of credit rating or borrowing capability to obtain independently, the kind of low-cost capital that is needed.

The committee concludes, therefore, that a need for the bill has been clearly demonstrated and that the most appropriate form of assistance at this time would be low-cost loans. The provision of a new source of funds would help overcome the severe ob-

stacles facing State and local governments in their attempts to improve mass transportation services. The provision for low interest rates would help insure that the acceptance of additional economic burdens by the mass transportation carriers will not further aggravate their losses.

The committee wishes to emphasize that the bill is intended to encourage and stimulate greater State and local effort, not to supplant it.

Mr. WILLIAMS of New Jersey. Mr. President, Dr. Luther Gulick, president of the Institute of Public Administration and a lifelong scholar of urban affairs, has written an interesting statement on the question of whether the commuter problem is a purely local problem.

Charles K. Agle, a noted planning consultant from Princeton, N.J., has also sent me a memorandum setting forth a new proposal for rapid transit in our metropolitan areas. He makes the important point that there is a great need for new thinking and for investment in new technological developments which would make rapid mass transportation comfortable, convenient, and fast.

Several editorials and articles on the mass transportation bill I introduced have also come to my attention. They are from the Boston Herald, the Christian Science Monitor, the St. Louis Post-Dispatch, the Asbury Park Evening Press, the Newark Star-Ledger, the New York Times, and the Bergen Evening Record.

Mr. President, I ask unanimous consent that these items be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARE NOT THE METROPOLITAN TRANSPORTATION AND THE COMMUTER PROBLEMS STRICTLY LOCAL, AND THUS OUTSIDE THE APPROPRIATE SPHERE OF FEDERAL ACTION?

(By Luther Gulick)

The present problem of transportation in the great urban centers is much more than a local problem. Of course, urban transportation has its local aspects, but it also has its State aspects and its Federal aspects.

The urban governments working alone cannot get to first base. Their commuters, and much of the freight coming and going, are handled by railroads which are regulated by the National Government, with services and rates fixed by the ICC. The automobile and bus traffic, as well as the freight trucks, which stream into the metropolis, come on Federal and State highways, and enter by limited access exchanges set and designed by Federal and State highway engineers, running on highways some of which are paid for 90 percent by the Federal Government. Most of the interurban buses and commercial truckers are regulated not by the locality but under National and State authority. Our increasing air traffic originates and terminates on airfields located, designed, and built with Federal supervision and Federal aid as part of the national airways system. Even urban renewal and civil defense—with its heavy concern for safety, movement and rehabilitation after attack—have a direct relation to the national interest.

The economic integration of the United States has now turned our highways and our city streets into parts of the American assembly line. The efficiency of this Nation now depends as never before on the efficiency of this pattern of life and production, particularly in the metropolitan concentrations. When the Congress ordered and underwrote the vast new expressway system, it set in motion economic and social forces which are having a direct bearing on the efficiency of the national economic system, as well as on the military security of this Nation. These induced developments are chiefly located in urban areas and cannot be beyond the concern of the National Government which intentionally set them in motion.

And how can a national government which provides national parks and spends millions of dollars raising the levels of agricultural life be unconcerned as to how urban people are to reach the parks, and how the farm-to-market products get into the markets? Once these problems were out in the rural areas, and the National Government and the States moved to meet the situation without asking, "Is this an appropriate national or State function?" Now the farm-to-market problem is in the big urban concentrations. It is here that the costs of handling and delay pile up. It is all the same road, Mr. Senator. If one end is a national concern, why is the other end less so?

The urban transportation problem—with or without rail commuters—is not one of those problems which can be neatly labeled "local," or "State," or "National" and dealt with accordingly. No one of these jurisdictions, with all its powers can solve our urban transportation problem. Nobody can go it alone. It will require the joint efforts of all three working together.

And that is why I say there is a national aspect of the metropolitan transportation problem, which the Government of the United States cannot neglect. And the way to start is through cooperative surveys and cooperative planning, drawing into the process the private interests, such as the railroads, as well. When that has been done comprehensively, each level of government, and each common carrier, can go about its agreed tasks, and we will begin to work our way toward real solutions of a problem which is by its very nature, national, State, and local. How can the National Government fail to take up its responsibility in this total national picture?

FROM HERE TO THERE—AN ANALYSIS AND PROPOSAL FOR TRANSIT

(By Charles K. Agle)

EXISTING CONDITIONS

We are stumbling all over ourselves. Literally.

Our present forms of local transit, mass or individual, give little hope of meeting the expanding needs of our present and future cities.

PRESENT TYPES OF TRANSIT

Automobiles have serious limitations. They have the advantage of door-to-door travel but are highly inefficient in their demands for highway and terminal space. A large headway is needed on highways for few passengers carried. Terminal storage, either for shopping or full-day business use, is greater than can be afforded in our urban centers. For example, if Manhattan Island south of 59th Street were to be served exclusively by automobile, and if we assume a free-flowing turnpike with no time lost for parking, and if we staggered office hours by minutes from 7 a.m. to 10 a.m., the width of the turnpike would have to be greater than the width of Manhattan Island. The parking lot, moreover, would have to be 40 square miles.

Rail transit is an intermittent linear form. It cannot solve the problem because of the limitation of train length and terminal space, and the fact that a line alone cannot serve an area. Attempts to make it serve even a small area on either side of the line results in such a multiplicity of local stops that flow and capacity is curtailed still further and additional time lags are introduced. Reduction of stops exaggerates the burden on secondary distribution systems.

Air transportation is unusable for mass local circulation. Even with vehicles landing vertically, both the amount of ground space and amount of air space per passenger carried makes it still less efficient, spacewise, than the automobile, which is already less efficient than rail travel.

Buses in their present form cannot cope with the overall problem. The vehicle carries small numbers, needs headway, and with respect to the serving of both collection and distribution areas remote from each other, takes on the characteristics of rail travel. It is filled to capacity when collecting from a very small local area. It can make quick distribution only to a corresponding small area, but this, in a large city, cannot satisfy the diverse destination desires of the passengers collected at any one point. For this reason cross-country buses have taken on a different form from local buses and bus terminals as such are beginning to present the same constricted space problems that characterize rail terminals. They have become a linear form with substantially the same limiting factors as railroads.

Compound systems of transport currently offer the only means of travel but have serious time limitations and will become worse. First, it is necessary to use either a car or a local bus to get from home to the bus terminal or railroad station. Pedestrian congestion, discomfort, confusion, and loss of time waiting for a scheduled vehicle at the terminal is inevitable. Next, the bus or rail goes from one terminal to another, usually with delays for intermediate stops. At the second terminal, these difficulties are even greater because of the greater numbers involved. Then comes the third system which, if a linear form such as a subway, may be followed by a fourth, a local bus. Even in the subway system, if it is necessary to change from express to local, an additional phase is added. As our metropolitan areas grow there seems to be little hope of simplifying this and it can only be expected to become worse.

PATTERN OF OUR CITIES

But the cohesive gravitational force of our cities is not to be denied. Because of farm machinery the need for personnel to operate our agricultural industry is decreasing rather than increasing, and the drift from rural to urban life will continue as a matter of livelihood. The shifting pattern of our cities is also clear. The great expansion of residential population is taking place in the suburbs and the "regional city" is already here. This means that living areas are distant from working areas. There is little indication that a sufficient dispersion of employment centers will take place to match the dispersion of working population. The only visible change is some lowering density of both employment and of residential use. This increases transit demands as the area and distance increase. Such an increase of area makes the extension of linear forms of transportation progressively less efficient.

Recent history has shown the practical absurdity of hoping for small self-contained new towns with simple transit, such as the special purpose examples of Kitimat and the AEC communities. If we should think in terms of self-contained communities with 50,000 population, newly designed, in which the automobile could serve, about 500 such new towns would be necessary to take care of the population increase each decade. Except for the special cases noted, we have not built, in the last decade, even example No. 1.

Accordingly, it appears that we must accept ever-expanding regional urban masses. They may be dense in some spots and sparser elsewhere. Even though spongy in character, they are cohesive and present a single overall problem.

Space is a function of travel time which in turn is a direct function of dollars lost in productive energy and social frustration. There is no reason to distinguish between portal to portal pay in a mine and the home to home working time of other citizens. This period is potential earning time, and its inefficient use constitutes an economic and neurotic loss of increasing magnitude.

There is no reason to deplore these facts. At present the urban area represents about 1 percent of the area of the country and the proper treatment of our problem is merely technical. There is no limit to the technical potential of this country, once we put our minds to a problem.

SUMMARY OF THE PROBLEM

The problem has four aspects:

1. There must be door-to-door delivery in a single system, with no break. Otherwise we cannot compete with the sole advantage of automobile travel. Every point in a collection area must be tied to every point in a distant distribution area without interruption of motion.

2. The system must be fast with no intermediate stops or transfers which consume time and energy and harass the individual. As our regional city becomes larger we cannot tolerate the increasing loss of time implicit in compound systems of transit.

3. On the practical economic side, we must use and increase the efficiency of everything we have installed in or on the ground: rails, turnpikes, tunnels, bridges, streets, and subways, with as little dislocation or readjustment as possible. The investment in our real estate and present facilities is such that scrapping everything and starting over from scratch would be economically unthinkable and politically impossible.

4. The system must be both flexible and universal, so that additions and changes can be made to keep pace with urban growth, without interruption of service or destruction of investment.

SOLUTION

The proposed solution consists of a new type of vehicle and a new system of circulation, both within the scope of present technology:

1. The vehicle is a cross between a self-propelled bus and a subway car, with automatic doors both on the ends and on the sides. It will be capable of independent operation or, through coupling and relays, of operation as part of a train. It will be equipped both with tires and flanges and can operate either on highways or rails and capable of immediate transfer from one to the other. It might even have a monorail hook and be capable of using all three means of support even in the course of one trip. It will be capable of coupling and uncoupling with a sister vehicle while in motion.

2. The circulation system consists of (a) local bus routes on existing streets in collection areas, (b) intermediate major or collector streets or tracks, (c) a major artery such as a rail track or turnpike lane between cities or between areas within an overall regional city pattern, (d) dispersion arteries, and (e) local bus routes, on existing streets in distribution areas. This simply corresponds to execution of current highway thinking, except that in (b), (c), and (d) the reservation of a lane for the exclusive use of the system will be desirable.

3. The operation of the system can be explained by two examples. Let us assume that one bus circulates in a residential area of Trenton and half of its passengers are bound for Wall Street and the other half for the Grand Central area of Manhattan. A second bus circulates through the residential areas of Princeton and picks up passengers, half bound for the city hall area and half for Radio City. While in motion the two buses meet and couple either on the turnpike or on a Pennsylvania Railroad track. The rear bus is then designated "downtown" and the head bus "uptown." The end doors are opened when the vehicles are coupled and the control of the two-car train is automatically in the lead bus. The passengers regroup themselves en route, depending upon their destinations. Beyond Newark the buses uncouple, return to individual operation and take to the highways. One goes uptown through the Lincoln Tunnel and stops at Radio City and nearby Grand Central. The other goes downtown through the Holland Tunnel and stops at the city hall and nearby Wall Street.

This simple illustration, of course, can become more elaborate and the same process takes place in lengthy trains serving diverse collection and distribution areas.

For greater distances in the regional city, say on a generally northbound line, Baltimore passengers originating in Washington can be in the last three buses, dropping off a long train as it approaches Baltimore. These may be replaced by buses, having collected northbound passengers in Baltimore, which overtake the train as it proceeds through and north of Baltimore. The same would be true of all intermediate focal points such as Wilmington, Philadelphia, Trenton, and Newark. In this way, there is no such thing as a local stop, and all trains are express.

Only passing mention need be made of technical problems to illustrate their visible ease of solution: Short range intercom radio, electric eyes, or radar for comparative speed control in the overtaking action; automatic transfer of relay control and opening of end car doors on coupling; safety alinement of buses in a train form by curbs, submerged rail and retractable flange, or magnetic or electronic cable; and fare control by punch cards at points of origin and destination, as with turnpikes.

Substantial efficiency could be achieved in personnel operation by borrowing maritime pilot practice. In the above illustration, local Washington drivers could drop off in the last bus as the train clears that city. Beyond Newark, local New York drivers overtake and distribute. In the intervening run, only one driver is needed for a lengthy train.

RESULTS AND ADVANTAGES

With this system substantially door-to-door travel becomes possible in a single system with continuous high speed between a small collection area and a small distribution area. There is no such thing as an express and local train. There is no terminal space nor any parking space. There is no compounding of transfer from one form of transportation to another.

Since this speed and convenience is provided, it can compete with the automobile even under the most ideal circumstances and would make it feasible to reduce substantially the use of such vehicles in our congested centers. It will then be possible to use streets efficiently and reduce the need for major dislocations of real estate now necessary for highways and parking. Since it would be capable of speeds equivalent to rail and turnpike travel, there would be no advantage to still greater investments in those facilities. The present limitations on train length is governed by the length of stations and timing is hampered by terminal handling. A further characteristic of rail transit is long headways compared with the operation of the individually more high-powered automobiles and buses on our turnpikes (5 minutes for railroads, 1½ minutes for subways, and 2 seconds for automobiles). In the proposed system it would be possible for passenger trains of 25 or 50 cars to assemble, and headways to correspond to highway practice, with a corresponding increase in the capacity of a single lane.

The system therefore can make the most efficient use of everything we have; conversely everything we are now thinking of building would fit into the system efficiently with only minor and inexpensive later changes. Its complete flexibility makes extensions and reroutings easy. It is capable of serving, with equal facility, city to city, suburb to city, and intersuburb travel. It is not limited either by the size or shape of an area.

Technical problems are elementary in light of the present development of science and industry.

DISADVANTAGES

The only perceptible disadvantage is the shifting of the passengers within the moving train. This is already common on New York subways. For example, the head car on a southbound 8th Avenue subway is always loaded with passengers bound for the Pennsylvania Railroad while the rear car is always loaded with passengers bound for 34th Street. As a matter of humanity, we should develop a system of transportation with enough seats to go around. In our present age of enlightenment, we should be able to find a workable compromise between 4 vacant seats in every automobile and 30 standees in every bus. The single shift of passengers walking from one car to another therefore appears to be only a minor inconvenience compared with changing from a car to a railroad train, then from a train to a subway, then changing trains at Times Square, then at Grand Central, and finally walking several blocks because our office is not sitting on top of a subway station. In return for the equivalent of walking to a diner on a railroad train, the passenger can enjoy substantially door-to-door transportation in a fraction of the time, and with much greater comfort and convenience than are now available or foreseeable in any other system.

[From the Boston Herald, May 28, 1960]

MASS TRANSIT PITTANCE

The American Municipal Association originally asked Congress this year to establish a $500 million loan fund for the improvement of public mass transportation equipment and facilities in metropolitan areas. This seemed a modest request, considering the billions the Government has been pouring into outright grants for highway planning and construction.

But evidently it was not modest enough to rate a chance of enactment, for the AMA has lowered its sights to $100 million, the sum sought in a bill filed by Senator WILLIAMS, Democrat of New Jersey, and others.

The inadequacy of a fund of $100 million was made dramatically clear the other day by John M. Pierce, general manager of the San Francisco Bay Rapid Transit District, in testimony before a congressional committee which is studying the Williams bill. His district, said Pierce, needs $1.2 billion to construct a modern, high speed public transportation system but its maximum bonding capacity is only $800 million, or $400 million short of the mark.

But this $100 million pittance is a good deal better than nothing. It should enable a number of cities to deal with small but nagging problems. In Boston, for example, the MTA might be able to utilize the fund for at least part of the purchase of badly needed new rolling stock for the Dorchester-Cambridge rapid transit line.

The Williams bill provides, moreover, for the use of current Federal planning grant moneys to help in the formulation of integrated transportation plans for metropolitan areas.

But the real significance of the bill is that it would place Congress on record as recognizing that the transportation paralysis which affects all our major metropolitan areas in varying degree is not a "local" matter of no legitimate concern to the Federal Government.

The great majority of the people of this Nation live in these urban areas. In 1958, as Senator WILLIAMS has pointed out, urban area residents held $203 billion, or 66 percent of the total disposable personal income in the United States. They are the ones who produce most of the Nation's wealth—and most of its taxes. They are the ones whose economic welfare is menaced by transportation paralysis.

[From the Christian Science Monitor, May 16, 1960]

ANYTHING-BUT-EASY STREET

The need for better public mass transportation systems in American cities has seldom been made more clear than by a recent projection of public works needs in Los Angeles.

A responsible inventory of the city's requirements over the next decade discloses that the average family in that area would have to be assessed $13,290 to pay for necessary public improvements if population continues to grow and to sprawl.

That projection is startling enough. But what really hits home is the estimate that of this amount $10,200—almost 77 percent—would have to go for streets and roads.

Los Angeles, because it is the home of the freeway rather than the subway, presents a picture that is perhaps exaggerated in comparison to other, less sprawling big cities. But not enough exaggerated to bring comfort to taxpayers elsewhere.

It is a simple and irrefutable fact that efficient mass transit systems can handle the same number of travelers as new city expressways at a very small fraction of the expressways' cost to taxpayers. It is also a fact that in the average American city rush-hour traffic speeds have been slowed down to from 6 to 10 miles per hour—almost back to the 4 miles per hour downtown pace of the horse-and-buggy age.

City streets and throughways are needed to provide flexibility and freedom for car-owning city families. But if urban areas are left, unzoned and unplanned, to spread aimlessly, and then have no good mass transit system, that flexibility and freedom are lost.

Urban taxpayers should back those seemingly costly long-range programs to improve public transport systems—to make transit more attractive, more extensive, more efficient. If they do not, they will find themselves faced with even more costly future street needs, similar to those in Los Angeles.

[From the St. Louis Post-Dispatch, May 29, 1960]

BILL BEING PUSHED TO HELP CITIES IMPROVE MASS TRANSPORTATION COULD BECOME POLITICAL ISSUE—ADMINISTRATION OPPOSES $100 MILLION LOAN FUND PLAN—MAYORS WARN SENATE GROUP THAT AUTO USE HAS REACHED SATURATION POINT

(By James Deakin)

WASHINGTON, May 28.—Over the opposition of the Eisenhower administration, 13 Senators are pushing a bill which would give the Federal Government a modest role in helping the Nation's cities cope with the critical problem of mass transportation.

The bill's sponsors are convinced that metropolitan areas must either modernize and improve their transportation and public transit facilities or face eventual suffocation under a never-ending deluge of automobiles.

With many cities at or near the limit of their borrowing authority, the Senate group has concluded that the Federal Government must step in with financial assistance in this field. The amount has been set at a comparatively low level—a revolving fund of $100 million in Federal loans.

The bill, introduced by Senator HARRISON A. WILLIAMS, Jr., Democrat of New Jersey, and cosponsored by eight Democrats and four Republicans, represents, in WILLIAMS' words, "a sound, modest, and constructive approach to a very serious problem."

The proposal could become a political issue in an election-year Congress. Parliamentary maneuvering now going on may result in the bill being packaged with other liberal legislation presently in the works, thus increasing its chances for passage as a Democratic votegetter.

In this event, the loan plan almost certainly would run into a Presidential veto, but its backers point out that at least it would have gone through Congress. By itself, the bill has only slim prospects in the House and Senate.

At hearings before a Senate subcommittee this week, mayors of large cities, railroad executives and independent experts told of the burdens imposed on cities by the automobile. The warning emphasized again and again in their testimony was that the use of private automobiles has reached a saturation point.

Speaking as president of the American Municipal Association, which represents more than 13,000 municipalities, Mayor Raymond R. Tucker of St. Louis declared:

"If we are forced to abandon mass transportation and force all of those now using it to rely solely on the private automobile * * * the congestion on our streets and highways will become so unmanageable that the private automobile will cease to be a convenient and flexible mode of transportation. * * *

"The plain fact of the matter is that we just cannot build enough lanes of highways to move all our people by private automobile and create enough parking space, without completely paving over our cities and removing all of the business establishments, office buildings, factories, restaurants, hotels, theaters, libraries, museums, hospitals, and other economic, social and cultural establishments that the people are trying to reach in the first place.

"It is incontestable, therefore, that we must find ways and means of moving more and more of our people by some form of mass transportation.

"But here is the dilemma in which we find ourselves. Because of the competition of the private automobile, it has become increasingly unprofitable for the railroad commuter lines, rapid transit lines and bus systems to operate profitably without reducing schedules and service and raising fares. * * *

"Because the operations are unprofitable, many mass transportation companies find it impossible to borrow money to replace worn-out and inefficient equipment."

In the belief that the Federal Government must help break this vicious circle, Senator WILLIAMS proposes a revolving fund of $100 million from which low-interest, long-term loans would be made to States, cities, and public agencies to assist them in setting up integrated, comprehensive mass transportation systems serving an entire urban area.

The loans could be used also to help purchase and modernize commuter equipment. Ultimately the fund would be self-sustaining, with payments on old loans used to make new loans. The interest rate would be set at the average annual interest rate on all Government obligations, now about 3⅛ percent.

WILLIAMS' bill also would authorize matching grants to encourage the planning of mass transportation systems on an areawide basis in an effort to get away from the fragmentation and overlapping so often produced by planing which ends at the boundary line.

Although the amount contemplated for the loan fund is relatively small, the administration has taken a dim view of the proposal. A Treasury Department report on the Williams bill stated that Federal assistance in this field should be limited to those areas where it is "necessary to achieve impelling national policy objectives."

The Department criticized also the proposed interest rate as a subsidy rate, the same objection the administration has raised to other interest levels based on the overall cost of money to the Government rather than on current borrowing rates alone. A spokesman for Senator WILLIAMS termed the Treasury report "completely negative."

Administrative resistance to the loan plan was forecast last March when Secretary of Commerce Frederick H. Mueller submitted a 78-point program aimed at meeting the pressing need for major improvements in our transportation system.

The massive problem posted by traffic congestion in cities, lack of parking space and financial losses on rapid transit and commuter service, the Commerce Department report said, is "primarily a local problem" and must be solved, essentially, at the local level.

Asked whether the administration planned to present any legislative recommendations on transportation problems at this session of Congress, Mueller replied that "there is nothing of such great urgency that I would urge the President to send a special message saying this must be done right now."

Witnesses at the subcommittee hearings this week disputed the contention that mass transportation in the Nation's cities nowadays is primarily a local problem.

"Today, two-thirds of our population live in the 160 standard metropolitan areas of our Nation," Mayor Richardson Dilworth of Philadelphia pointed out. "In the next decade, almost 80 percent of our people will live in these areas."

Dilworth described the steps taken by Philadelphia to alleviate its transit crisis, including the preparation of a faster mass transportation plan for the area and a combined bus-subway-rail commuter arrangemen with a reduced fare, to get commuters from downtown to outlying areas of the city by bus or subway and then home by train.

Bus and commuter train schedules were coordinated with the cooperation of the transit company, parking facilities were provided at train stations, and commuter traffic rose by more than 20 percent in less than 6 months, the mayor said.

The experiment led to the formation of a nonprofit corporation which will furnish low-cost transportation on commuter trains into the city, Dilworth continued. He said the city is putting up $500,000 a year to guarantee the participating railroads against operating losses.

"I have gone into our local efforts in some detail to dispel the frequently heard complaint that we have just thrown up our hands and then come down here with our hands out for help from the Federal Government," Dilworth declared.

Other witnesses at the 3 days of hearings included Gov. Robert B. Meyner of New Jersey; Mayor Robert Wagner of New York; Mayor Richard C. Lee of New Haven, Conn.; Mayor James Kelly of East Orange, N.J.; John M. Pierce, general manager of the San Francisco Bay Transit District; James M. Symes, board chairman of the Pennsylvania Railroad; George Alpert, president of the New York, New Haven & Hartford Railroad Co.; Mayor Anthony J. Celebrezze of Cleveland, and Detlev W. Bronk, chairman of the National Science Foundation, which is conducting a study of transportation systems.

Several of the city officials agreed with Mayor Tucker that the $100 million loan fund which would be authorized by the Williams bill "is far from adequate." Tucker pointed out that the recently completed St. Louis metropolitan area transportation study called for improvements costing an estimated $175 million.

The bill's sponsors, including Senators THOMAS C. HENNINGS, Jr., and STUART SYMINGTON, Missouri Democrats, believe, however, that the measure represents a vital first step—establishing the principle that the Federal Government has a responsibility in the field of urban transportation.

[From the Asbury Park Evening Press, June 17, 1960]

MASS TRANSPORTATION THE ONLY REMEDY

Increasing traffic congestion and the revelations of the 1960 census have brought home to the cities of the United States the need for action. So congested has traffic become that it is often quicker to walk than to ride through metropolitan streets. As a result, city residents are moving to the suburbs and the census confirms the fact.

The automobile has been a voracious consumer of the land in our downtown areas. Moving or parked, its appetite has been described by one architectural authority as insatiable, devouring urban land and "leaving the buildings as mere islands of habitable space in a sea of dangerous and ugly traffic." Another architectural consultant condemns the freeway building boom of the last 10 years as a "murder plot against our urban areas."

Call it what you will, the plight of our cities cannot be ignored. With all their advantages, the suburbs can never take the place of cities. Culturally alone there are advantages in the large city that can never be duplicated in the sprawling suburbs which surround it. Actually, there is a mutual dependence of city upon suburb and suburb upon city which makes both the losers when either deteriorates.

It is rapidly becoming obvious that only mass transportation can save our cities. The wave of roadbuilding which has brought into our cities thousands of cars, often with a single occupant, has brought permanent benefit to no one. Railroads have suffered as their passengers left the coaches and entered automobiles, city streets have been crowded to the point where they are almost impassable, and transportation costs have increased when tolls, parking, gasoline, tires, and the rest of the expense is totaled. Individual transportation just doesn't work.

The problem exists in every metropolitan area. It is especially perplexing to New Jersey residents who must travel to New York. The acuteness of the problem must be attributed to shortsighted planning and, for this, the Port of New York Authority cannot escape responsibility. With all the outstanding service the Authority has rendered to the metropolitan area it has lacked the discernment to see the inevitable consequence of its policies. It should have known, as did hundreds of individuals, including this newspaper, that we cannot afford to permit our railroads to go out of business or provide inadequate service. Highways with their bridges and tunnels; airports providing access to all parts of the world in a matter of hours, together with bus and truck terminals, all have their place in a modern civilization and are a vital part of the life of a metropolis. And to completely neglect the railroads while offering subsidies to their competitors could not possibly produce any other result than the one which confronts us.

City and suburb are interdependent. One cannot achieve its fullest development alone. Easy access between them is essential for the success of both and this means improved mass transportation. Any Government agency that thinks otherwise is closing its eyes to the situation that exists and doing less than its duty to the public it is designed to serve.

[From the New York Times, June 7, 1960]

RAILROAD SUBSIDY VOTED BY JERSEY TO AID COMMUTERS—MEYNER APPROVAL EXPECTED—INCOME TAX AND RISE IN CIGARETTE LEVY GAIN

(By George Cable Wright)

TRENTON, June 6.—The State assembly assured New Jersey commuters today of continued essential rail services.

It approved unanimously and sent to Gov. Robert B. Meyner a bill that would provide for contracts between the State and its major passenger railroads to guarantee the continuance of commuter services.

Each contracting line would receive an annual subsidy from the State, the amount of which would depend on the number of passengers carried and the distance that they were transported.

Mr. Meyner is expected to sign the measure without delay. It would cost the State about $6 million a year, but the necessary funds have already been appropriated by the legislature for the year beginning July 1.

ADDED TAXES VOTED

In its most productive session of the year and its last meeting until the fall, the assembly took the following actions:

Approved and sent to the Senate, which is in recess until September 12, bills that would impose an income tax on all New York-New Jersey commuters and that would increase the State cigarette tax from 5 to 6 cents a pack.

Gave final legislative approval to and sent to Governor Meyner bills designed to end the State's property assessment dilemma; to provide for a referendum in November on a $40 million bond issue to finance an expansion of State institutional facilities, and to restrict installment sales practices and the activities of consumer-finance concerns.

The decision to bring both the cigarette tax and the $40 million bond issue proposal to the floor for a vote was made after a hurried conference between Speaker Maurice V. Brady and Pierce H. Deamer, Jr., Republican minority leader.

ONE MILLION SIX HUNDRED NINETY-EIGHT THOUSAND FOR PENNSY

Under the contracts between the State and the commuter railroads, the Pennsylvania Railroad would be entitled to a $1,698,000 subsidy in the year beginning July 1; the Jersey Central to $1,392,000; the Delaware, Lackawanna & Western, to $1,656,000 and the Erie to $582,000.

The New Jersey and New York would get $78,000; the Lehigh Valley, $30,000; the New York, Susquehanna & Western, $58,000; the Pennsylvania-Reading Seashore, $437,000, and the Reading, $9,600.

The contract proposal was part of a plan for ending the critical commuter-rail situation in the metropolitan area that was proposed earlier this year by Dwight R. G. Palmer, State highway commissioner, in a report to Mr. Meyner and the legislature.

The plan called also for the consolidation of passenger rail facilities in north Jersey and the rerouting of Jersey Central passenger trains through the Pennsylvania Station in Newark, where they would connect with the Hudson and Manhattan tubes.

It was also recommended that the Port of New York Authority, at its own expense, purchase new passenger cars for the Hudson tubes and lease them back to that line, and purchase the existing Lackawanna and Jersey Central ferries and similarly lease them back to the railroads.

Should the commuter income tax be approved by the senate, which at the moment appears somewhat doubtful, Mr. Meyner has indicated that some of the funds raised thereby could be used to finance these recommended actions by the port authority.

TRAFFIC SAFETY UNIT VOTED

As the evening wore on, the assembly approved and sent additional bills to Mr. Meyner.

One called for a referendum in November to give the legislature the right to grant $800 property assessment exemptions to persons over 65 years whose annual incomes do not exceed $5,000.

Another would appropriate $15,000 for a legislative investigation into the activities of New Jersey's welfare and relief agencies.

The assembly also voted and sent to the senate a measure that would create a temporary tristate traffic safety commission. This bill would become law only if and when New York and Connecticut adopted identical legislation, and the compact was approved by the Congress.

The income tax bill was adopted by a vote of 35 to 23 after an hour of acrid debate in which its constitutionality was questioned and fears were expressed that it might serve to open the door to a general statewide income tax.

Proposed by Mr. Meyner, it would affect not only interstate commuters but would apply also to persons living in the one State and deriving income from the commuter area of the other State. The tax is patterned after the New York income tax law.

In effect, it would siphon from Albany to Trenton the $35 million to $40 million now paid annually to New York by 150,000 residents of New Jersey who are employed in that State. The 70,000 New Yorkers working in New Jersey would face tax increases, since all taxpayers, under the pending bill, would be entitled only to such exemptions and deductions now granted nonresidents by New York.

Mr. Meyner has indicated that he will seek to induce the senate to return during the summer to act on the commuter and cigarette taxes. Senate leaders insist that he cannot order their house into special session, since the senate is in recess and has not adjourned sine die.

[From the Bergen Evening Record, June 22, 1960]

THE CASH PRICE OF DELAY

The Senate Banking and Currency Committee has adopted a report declaring the metropolitan transportation problem to be of such gravity as to warrant immediate Federal action. But what's new? Says the report:

"The committee believes further that the impact of the urban transportation crisis on the economic health of the metropolitan areas, on the free flow of goods in interstate commerce, and on the Federal highway program is of such gravity as to warrant immediate Federal action."

Still, what's new? The report of the full committee is a powerful endorsement of Senator WILLIAMS', Democrat, of New Jersey, bill to encourage planning and to set up low-cost loans to State and local governments for transit improvement.

Haven't all these been around so long that the very language has been worn into illegibility?

One element of the report is in fact arresting, and should be given attention even if that takes a special effort. This is its emphasis on the suddenness with which the crisis has developed. the speed at which it is racing to its resolution, and hence the need for acting faster than large masses of people and their governments are accustomed to act.

Since 1950 the number of riders on all forms of mass transportation (not railroads alone) has decreased by 38 percent. And:

"The metropolitan areas appear destined for a total breakdown of their transporta-

tion networks if by 1976 the number of vehicles rises, as predicted by the U.S. Bureau of Public Roads, from the current level of 70 million to 113 million and if at the same time the downward trend of mass-transportation services is perpetuated."

Never before have we been faced with so precipitate a change in national habit or with so high a price for neglecting to deal with it. The American Municipal Association has calculated that if five cities—New York, Chicago, Philadelphia, Boston, and Cleveland—lose their rail commuter service it will cost $31 billion (financed over 30 years at 4 percent) to build roads enough to move comparable numbers of people.

The point of the Senate committee report is that we have no time to lose.

That too has been said before. But with every passing day it acquires an added force that imparts to it something like startling novelty. And the days keep passing.

[From the Newark Star-Ledger, June 16, 1960]

MODEST SHARE

Committee approval of Senator WILLIAMS' bill on commuter transit aid marks progress in efforts to get the Federal Government to lend some assistance toward improved commuter services.

The measure is only over its first hurdle, but the initial approval amounts to recognition of Federal responsibility in the mass transportation crisis. The program would set up a loan procedure for helping to modernize commuter facilities.

The bill is one of several recent developments in the battle for action on the mass transit mess. There is a greater awareness today at all levels of government on the necessity for a constructive mass transit program.

The Federal Government is not expected to take on the whole job. But it should be expected to do its share. The share called for in the Williams bill certainly is modest enough.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield to the Senator from Connecticut.

Mr. BUSH. I have listened with interest to the Senator from New Jersey, who is the sponsor of the bill on mass transportation now pending before the Senate. I believe this is a highly important measure, because the problem of mass transportation within our great cities today has become such a pressing one as to be almost frustrating when we consider how it can be dealt with.

If this bill shall be enacted, it will provide for cooperation between the Federal Government, the States and the localities in studying how best to come to grips with this overpowering problem of mass transportation and of congestion within our cities.

The problem is so bad in the New York City area, for instance, that if it gets any worse traffic will probably simply come to a stop. The situation is apt to be frozen.

This issue also involves the commuter problem, which is part of the mass transportation problem affecting some of our great cities. This is a particularly pressing problem in the New York, Connecticut, and New Jersey area.

I believe the Senator has done a service for the greater area in which we live, and also for the other communities which are faced with this difficult problem, by bringing the bill to the Senate today. I am very glad to assure the Senator that it has my complete support.

I thank the Senator for yielding.

Mr. WILLIAMS of New Jersey. Mr. President, I thank the Senator from Connecticut. I wish to point out that we had extensive hearings within the Housing Subcommittee, of which the Senator from Connecticut is a distinguished member. The Senator made a very vital contribution to the effort of bringing the proposed legislation through the subcommittee, through the Committee on Banking and Currency, and to the Senate. I am very grateful for the Senator's statement today and for his help in the committee.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. I wish to take this opportunity to commend the Senator from New Jersey for the outstanding work he has done in connection with the proposed legislation. The Senator introduced the bill early in the session. He started work on it. He asked me, as chairman of the Housing Subcommittee, to have hearings on the bill at the same time we were holding hearings on proposed housing legislation. After all, it is an amendment to the housing law, section 701 of the Housing Act of 1954, and the public facilities loan program passed in the Housing Amendments of 1955.

The hearings were held. I compliment the Senator from New Jersey for having worked up as good a presentation of his case as I have ever seen during the years I have been in Congress. Anyone who reads the hearings will understand what I mean by that statement. A fine case was presented.

It was never intended that this proposal should be a part of the regular housing bill. The Senator from New Jersey will recall that he and I discussed the matter, and it was agreed from the beginning this would be reported as a separate bill. It was so reported. It is now before the Senate for consideration. I think those who are primarily concerned with the problem certainly should be everlastingly grateful to the Senator from New Jersey for the masterful job he has done in handling this proposed legislation.

Mr. WILLIAMS of New Jersey. In reply to my chairman and good friend the Senator from Alabama, I am undeserving of the high praise, much as I appreciate hearing it. We would not be in the position we are today, with the bill before the Senate, if it had not been for the generous attitude and cooperative spirit of the Senator from Alabama, in bringing the bill to the attention of the subcommittee. This was another demonstration of why those of us who serve under our chairman so much respect him and love him for his kindness in the subcommittee. I am grateful indeed.

Mr. President, without the help of our committee staff and the staff of my office our presentation would not have been as complete. I am very grateful for their help.

Mr. KUCHEL. Mr. President——

Mr. WILLIAMS of New Jersey. I am happy to yield to the Senator from California.

Mr. KUCHEL. I wish to say to my able friend from New Jersey, first, that in the pending legislation, he has placed his finger upon an important problem confronting the people of the United States today with respect to transportation.

Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 9, between lines 19 and 20, it is proposed to insert a new subsection as follows:

(c) Any amounts expended by any State, local, or other agency eligible for financial assistance under section 701 of the Housing Act of 1954 in connection with planning for the coordination of transportation systems in urban areas, may, under regulations prescribed by the Housing and Home Finance Administrator, be considered in determining the amount of local contribution required of such agency in connection with any grant made under such section after date of enactment of this Act, if

(1) such amounts were expended within five years prior to the date of enactment of this Act, and

(2) credit for the expenditure of such amounts has not heretofore been allowed in connection with any grant under such section.

Mr. KUCHEL. Mr. President, I am happy to say that the able Senator from New Jersey has told me he will accept the amendment.

Briefly stated, Mr. President, my amendment would make this legislation retrospective in character for the 5 years immediately preceding its enactment, as well as prospective it would provide that any community in America—or any State or local body, otherwise qualified—recognizing the problems of mass transportation and acting independently with respect to any solutions it believes feasible in the field of mass transportation, including the expenditure of local moneys, may have those expenditures considered in any Federal assistance otherwise authorized under the pending legislation. There is a cutoff provided for in the bill, as I say, for any expenditures made by the community, for the 5 years last passed.

We have in the State from which I come two great metropolitan areas, San Francisco and Los Angeles. The head of each of the rapid transportation authorities, in those two areas, testified before the subcommittee on which the Senator from New Jersey serves. I ask unanimous consent that the brief comments by these gentlemen on pages 6 and 7 of the report, on the proposed legislation, be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

C. M. Gillis, executive director of the Los Angeles Metropolitan Transit Authority:

"In California, we believe we have the finest system of highways and freeways in the United States. Governor Brown recently joked that the Hollywood Freeway was the longest parking lot in the world. These freeways perform an amazing job, and yet they are filled to capacity on the day they are opened * * *. We in Los Angeles are attempting to find a rapid transit system that can be financed with revenue bonds, because that is the authority we now have in the State act, although to many, such financing appears to be highly unlikely. Certainly, Federal partnership in one of several ways would help a great deal. * * * It has been said that the metropolitan areas of the United States cannot afford a modern mass rapid transit system. I think it can just as reasonably be said that the metropolitan areas cannot afford not to have an up-to-date mass rapid transit system."

John M. Peirce, general manager, San Francisco Bay Area Rapid Transit District:

"The San Francisco Bay Area Rapid Transit District is now in the final weeks of developing plans for its five-county system of rail rapid transit [calling for] 132 miles of rail lines connecting the population centers of the bay area * * *. There is almost complete recognition of the fact that with the doubling of the San Francisco Bay area's population in the next 20 or 25 years, major dependence on private automobiles is virtually impossible. Water barriers, irregular terrain and limited land area for motor vehicle use, all contribute to the problem with which we are faced. Worst of all, if within the next 10 years we are unable to provide for accessibility to the core areas of our region and for free circulation of people within the area, our economy will be adversely affected and our future will be less optimistic than we otherwise hope it will be. Accordingly, we urge upon the Congress its favorable consideration of S. 3278, which we hope will give at least initial recognition to the congestion problem which is becoming worse in all of the Nation's metropolitan areas. In California the problem is compounded because of our dependence on motor vehicles for most public and private transportation, and also because of our tremendous population growth. And I should add that population growth in California's metropolitan areas is four times as great as in our rural areas."

Mr. WILLIAMS of New Jersey. Mr. President, of course, I am always happy to cooperate with our good friend, the senior Senator from California, and I wish to cooperate with him in this connection by accepting the amendment which has been offered.

Mr. President, the testimony, which has been ordered printed in the RECORD, of Mr. John M. Peirce, the general manager of the San Francisco Bay Area Rapid Transit District, and Mr. C. M. Gillis, executive director of the Los Angeles Metropolitan Transit Authority, was most helpful in our understanding of the metropolitan problems, and very helpful in support of the effort which goes to the heart of trying to unsnarl transportation difficulties.

I am happy to cooperate with my friend from California.

Mr. KUCHEL. I thank my friend very much. Mr. President, I move that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from California.

The amendment to the amendment was agreed to.

Mr. KUCHEL. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CLARK. Mr. President, after the third reading of the bill I wish to be recognized.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading the bill.

The bill (S. 3278) was ordered to be engrossed for a third reading, and was read the third time.

Mr. CLARK. Mr. President, as a cosponsor of the bill I should like to record my strong support for it.

I wish to join in the commendation of the junior Senator from New Jersey, who has so skillfully piloted the bill through the committee and before the Senate. He has done an extremely able piece of legislative work. The Senator is one of our new and able lights in the Senate. I am sure this is a forerunner of many other legislative victories for the future.

We are indeed fortunate, in the Committee on Banking and Currency, to have as a member the junior Senator from New Jersey, who is so able and alert.

I join the Senator from New Jersey in paying tribute to the chairman of the Subcommittee on Housing of the Committee on Banking and Currency, the Senator from Alabama [Mr. SPARKMAN], for without his cooperation the bill never would have come from the subcommittee.

I also join in commendation of our beloved chairman of the Committee on Banking and Currency, the Senator from Virginia [Mr. ROBERTSON], who gave his strong support to the measure, which insured a unanimous and favorable report of the bill from the committee.

Mr. President, this measure will be of valuable assistance in solving our transportation and traffic difficulties not only in the larger cities of the country but also in some of the middle-sized cities.

Actually the genesis of this bill arose in the fertile brain of two Philadelphians—James M. Symes, the president of the Pennsylvania Railroad, and Richardson Dilworth, Mayor of Philadelphia, and now serving as the president of the U.S. Conference of Mayors.

Mr. Symes, who has been a fine public servant, interested in civil matters in Philadelphia, testified before the committee and stated his reasons why the railroads could not afford to provide, let alone improve, commutation services. He showed how the Federal Government poured millions of dollars into capital expenditures for other transportation facilities, and the terrific increase of the debt of local governments and State governments, all as a result of Federal activities.

He then pointed out the reasons why funds for capital expenditures for mass transportation must come from the Federal Government.

In cooperation with Mayor Dilworth and the Senator from New Jersey [Mr. WILLIAMS], S. 3278 was drafted.

The bill is indeed an adequate vehicle with which to begin a transportation loan program upon which the Congress can build in the future. If the bill should not pass, the Federal Government will continue to waste money by destroying the center core of our cities, and will then spend billions of dollars to rehabilitate the damage and the chaos which will have been created.

Mayor Dilworth was among the first to see this development. Under his initiative a conference was called in Chicago, at which a number of the presidents of our great railroads met with a number of the mayors of our large American cities.

As a result of that conference the group came to the Senator from New Jersey and asked his support in drafting and carrying through this bill. I am happy indeed that two of my fellow Philadelphians should have played so strong a part in the framing of this measure. I am happy to be a cosponsor, and I am hopeful that the bill will pass not only the Senate, but also the House, and be signed by the President of the United States before adjournment.

Mr. WILLIAMS of New Jersey. Mr. President, I do not wish to delay proceedings any further. I thank my very good friend the Senator from Pennsylvania [Mr. CLARK], not only for the generosity of his remarks in the Senate today, but for his monumental assistance in bringing the bill forward to the point it has reached.

I yield the floor.

Mr. KEATING. Mr. President, I wish to commend the Senator from New Jersey for his introduction of the proposed legislation, of which I am a cosponsor. This measure represents an all-important step toward surmounting one of the major obstacles to the orderly and vigorous economic growth of the Nation. S. 3278, of which I am a cosponsor, will provide Federal planning and financial aid to urban areas to assist them in developing effective means of moving goods and people in and out and through, the vital economic centers of our metropolitan areas.

It will afford a comprehensive approach to the whole transportation problem through the coordination of highway, bus, surface-rail, underground, and other mass transportation systems. The need for such integration has been clearly evident for some time. It is imperative for the future well-being of our Nation.

Anyone who has given consideration to this problem must recognize the need for a national effort, spearheaded by the Federal Government, to help clear up congestion in our cities. A number of cogent arguments can be advanced to support the logic and advisability of Federal assistance for the improvement and expansion of urban transportation. The major arguments can be grouped under these three brief headings: First, the ur-

gent need; second, national economic significance and third, the lack of local financial resources.

THE NEED

The first of these—the need for improvement and expansion of metropolitan transportation facilities—is self-evident. We are surrounded by congestion and delay each day as we travel in and around our cities. A pleasant Sunday afternoon excursion into the countryside is virtually out of the question nowadays simply because it is not pleasant to travel bumper to bumper. This is the dilemma of the automobile age—the need for fast, efficient transportation in the face of growing congestion. Indications are that the number of automobiles will probably double within the next 15 years. It has been estimated that by 1975 there will be more than 100 million cars caught up in the traffic streams of streets and highways.

It is obvious that many of our great cities are slowly strangling to death due to downtown congestion. The onset of the automobile as the normal means of transportation has turned centers of cities into veritable nightmares of snarled traffic and overstuffed parking facilities. The hit-or-miss manner in which much municipal planning has been carried out in recent years has served to compound the problem with regard to means of transit to and from our cities and their burgeoning suburbs. Unless all levels of Government—Federal, State, and local—cooperate in the elimination of this massive traffic jam the futures of our urban areas will be in grave jeopardy.

The effect of this traffic congestion on mass transportation facilities has been the exact opposite of what is needed. Mass transit systems have been steadily deteriorating in both quality and quantity at a time when efficient mass transportation is sorely needed. The preference for the door-to-door convenience of the automobile and the ability of more and more consumers to meet the expense of automobile ownership have drastically reduced utilization of the passenger services offered by intracity and intercity public transportation systems, at a time when such services may be the only answer to the alleviation of the traffic jams.

NATIONAL ECONOMIC SIGNIFICANCE

Luther Gulick has said in testimony before the Senate Subcommittee on Housing:

> The streets of our cities, the highways of our country are part of the assembly line of the American economy. To this extent they have been woven into a national system of life and the national system of economics. So that when we talk about the problem of mass transportation in the cities, we are dealing with a circulation problem of human beings within a new urban pattern, a pattern which must be made efficient from the standpoint of economics and must be made satisfactory from the standpoint of good life.

This eminent scholar and planning expert focuses our sights on the very heart of the matter when he refers to the need for an efficient circulation pattern from the standpoint of economics and from the standpoint of good life.

Cities are, after all, the centers of culture and commerce. Today's city owes its very existence to the marketplace around which it developed. Its future prosperity depends, most emphatically, upon the ability to maintain a system of transportation which will facilitate the marketplace activities, and efficiently conduct the movement of people from home, to the office, to recreational and cultural accommodations, to the halls of learning, to the temples of worship, to the retail establishments, and to the numerous appurtenances which converge in the urban areas to create the social and economic environment which constitutes our modern civilization.

It is paradoxical that the technological progress which fostered the growth of our great urban centers through improved transportation is today being hampered by the need for improved and expanded transit systems. The orderly, effective movement of goods and people is vitally necessary for healthy, vigorous market centers. Yet, either many of our cities are suffering from the inability of antiquated, inadequate mass transit systems to affect the competent conveyance of goods and people, or public facilities are so totally lacking that transportation depends almost exclusively upon the space-consuming motor vehicle.

The economic tragedy of the traffic jam due to the overuse of the automobile and its radial effects is very readily discernible in many of the large metropolitan centers of my home State, but perhaps the best example I can cite is New York City. According to Mayor Wagner, 3 million persons enter Manhattan south of 60th Street on a typical business day. Two-thirds of these use mass transportation. More than 500,000 automobiles come into the area from outlying communities. Commuter rail service in and out of the city has been declining steadily and prices have been on the increase.

For many years this great metropolis has been able to function as a cultural, educational, business, and commercial center because of its transportation systems of buses and subways and its commuter railroads. Today, however, it finds itself faced with tremendous congestion and policing and traffic problems because of the growth of its automobile population. In 1924, 10 percent of the persons entering Manhattan used automobiles. In 1959, 22 percent used automobiles. Viewed in monetary terms, or in terms of human values, the losses which can accrue from this continued disorganizing congestion are awesome to behold.

It has been estimated that the loss from the normal traffic jams in the 10 major cities of the country approaches $5 billion a year. The total losses suffered by the smaller urban areas would probably be more than double this figure, for they, too, are experiencing congestion, traffic, and parking problems.

A study which appeared in the magazine Business Horizons in the spring of 1959 observed that cities of 100,000 or under in population have been the hardest hit in terms of the discontinuance of transit services. Again, the use of the automobile has forced transit companies to reduce services and raise fares. In fact, the Bureau of Public Roads reports that travel patterns studied in 50 U.S. cities revealed that the privately owned automobile was the predominant choice for trips for all purposes in cities of less than 1 million population.

One of the greatest losers in the transportation predicament is the downtown. We are all familiar with current abundance of predictions as the presumed demise of our urban cores. A careful analysis of the historical growth of cities, and their contribution to the economic and social life of the population, coupled with the forecasts of demographers of even larger urban population concentrations in coming years, will immediately belie the theory of the death of downtown business centers, and the lessening of their importance to economic progress.

We must remember that business and commerce thrive on a certain degree of congestion. It brings groups of people together, creating the need for additional businesses and establishing an environment for growth and progress. But too much congestion could strangle our urban centers.

The stock exchange will certainly not move to Englewood. "My Fair Lady" will not have a 3-year run in West Hempstead. The Metropolitan Museum of Art will not move to Tarrytown.

It has been estimated that retail sales will increase from the present $221 billion to an overwhelmingly high total of $400 billion by 1970. Most of this retail business will continue to be generated downtown where people work and shop.

Thus, under proper conditions, the future of our cities is secure.

Although somewhat changed in emphasis, the downtown will continue to be a place to gather to work, to play, to learn and to engage in commerce, and these functions must be facilitated by coordinated systems of mass transportation.

The accommodation of peak loads is one of the major areas in which transit companies and local governments have been unsuccessful. S. 3278 would assist in establishing an integrated, balanced, system of transportation which will keep the automobile from carrying the full burden of traffic needs, and will permit the economical operation of mass transit systems. It will stimulate corrective action at the local and State levels, giving an impetus which has been sorely lacking in some communities.

LACK OF LOCAL FINANCIAL RESOURCES

The third major argument for Federal assistance—namely, the lack of adequate local finance—is an oft-repeated argument made in support of Federal aid, but it is a distinctly logical and supportable point of view in this instance. No one will refute the logic of the fact that our cities are the economic and social foundation of the Nation. Their well-being is vitally important to the well-being of our entire society. Surely, problems which affect the welfare of almost two-thirds of the American population must be of paramount importance to the National Government.

Most States, and many lower levels of government have for some time been operating barely within the legal limit of their debt ceilings. In an effort to defray the expenditures required for the expansion and improvement of public services, taxes at the lower levels of government have doubled, and officials are hard pressed to meet the costs arising from the demands of increasing urban populations.

In many instances, the governments which are burdened with the additional public expenditures do not have the authority to tap the revenue sources of the groups whose activities have generated the demand for public services. Only through Federal and State cooperative assistance can the problems which cross political and geographical boundaries be satisfactorily solved.

The tax structure of the Federal Government also has been an impediment to increased local and State financing. If the Federal Government continues to draw from the States and municipalities those funds which could be used in the financing of needed improvement and expansion of necessary public facilities, it is only fitting and proper that some of these funds be returned to the subordinate levels of Government for use in the renewal, redevelopment, and improvement of the Nation's cities and towns.

Recognition of the Federal Government's responsibility for the maintenance of socially and economically healthy local areas is inherent in the urban renewal program, urban planning assistance, interstate highway financing and such other areas as agriculture and sewage and pollution treatment and disposal. By the same token the Federal Government must assist in the improvement of the total urban transportation system by working in cooperation with communities.

Facilitation of automobile travel through Federal aid for highway construction is but a small part of a much broader problem, and this program has had a profound effect on all of the other segments of the transportation industry. The concentration of efforts and finances in accommodation of motor vehicle travel, without coordination with other modes of travel, has compounded congestion and traffic problems and contributed to the further erosion of the local financial base. This result, which I am sure was not anticipated when the Federal Highway Act was enacted and extended, can only be corrected through coordinated planning, and cooperative financing of broad transportation systems which encompass highways, rail service, buses, and other surface-type travel and subways.

No one segment of the transportation industry, or single level of Government can absorb the total responsibility for expediting and improving the movement of people and goods. It requires the cooperative efforts of all transportation industry units and municipal, county, State, and National Governments.

S. 3278 contains fundamental provisions for undertaking a program for improving mass transit systems for intercity, intracity, and regional transportation of people and goods. It is neither a complicated, nor a costly piece of legislation, but its benefits would be broad and concrete. The bill would amend the urban planning assistance provision of section 701 of the Housing Act of 1954 to require that a metropolitan or regional planning project include in its comprehensive plan, specific programs for handling mass transit and commuter services on a coordinated basis, and grants would be provided to assist in the financing of this planning.

The loan provisions of this bill go to the heart of the city transit problem. The long-term, low-interest loans made possible by this measure constitute a proper area for Federal assistance, in the light of the national interest in the urban transit crisis.

These loans will fill the void now confronting many large cities which have already reached their debt limit in their efforts to meet the demand for greater services for city residents. The purchase of commuter equipment and the financing of the construction of integrated transportation facilities in metropolitan areas which will be made possible by these loans can result in the more modern, efficient, and attractive service which is needed. This can help attract more customers back to the use of commuter facilities.

Thus, by wise and vigorous application of the loan provisions of this bill, mass transit systems all across America can be shored up and revitalized. A direct result can be significant alleviation of the problem of urban strangulation and paralyzing traffic congestion, thus contributing to revived business activity in our central cities.

It is my firm belief that in the long run America's taxpayers will benefit from the implementation of this bill and the resultant improvement in mass transportation systems. New wealth can be created by stimulating business activity in downtown areas. Staggering losses in man-hours can be eliminated by utilization of speedy and efficient commuter systems. The substantial Federal investment in the commendable urban renewal program can be protected by insuring that eradication of center city blight will be coordinated with the establishment of mass transportation facilities.

Clearly, if we do not take this modest first step, the present costs in these fields will multiply to tremendous proportions. In my view, we cannot delay any longer in bringing the facilities and resources of the Federal Government to bear on this problem.

I am pleased to note that this program is to be administered by the Housing and Home Finance Agency. This constitutes a recognition that there is a close relationship and there must be close coordination between urban planning and urban renewal projects and the development of mass transit programs.

It is my hope that eventually the Housing and Home Finance Agency will form the nucleus of a Federal Department concerned with urban problems, such as envisioned in S. 2397, which I am sponsoring, or in S. 3292, sponsored by the senior Senator from Pennsylvania [Mr. CLARK]. One of the major divisions of a Department of Urbiculture or Urban Affairs should, in my view, deal with mass transportation problems and with the administration of the programs to be launched as a result of the bill before us today.

Mr. President, while we must recognize that S. 3278 is no panacea or cure-all for the ills of our ailing mass transit systems, it is a decisive step in the right direction.

The vital thing is that this legislation recognizes that there must be a national interest and a national effort directed toward the creation of coordinated, balanced mass transportation systems in the major metropolitan areas where some two-thirds of our people today live and work.

It provides the machinery to assist in a comprehensive study of our overall transportation problem. It will encourage the formulation of workable master transit plans in congested areas. It authorizes loans which are essential to bring local transportation facilities up to date so that they can attract additional business and fulfill their vital role in urban life.

These are three essential ingredients in any long-range Federal program to end the mass transit problems which today threaten to stifle the very existence of our urban areas and thus sap the strength of the entire Nation. The impetus given by the proposals in S. 3278 should produce real progress in providing our downtowns with efficient mass transportation and controlling disorganizing congestion by good transit, while making possible the orderly mass distribution upon which our economic growth and advancement so emphatically depend.

It is my hope that the Senate will respond to the national crisis and the national need in the field of urban transportation by approving overwhelmingly this important piece of legislation.

Mr. WILLIAMS of New Jersey. Mr. President, I wish to make the comment that when the bill was first introduced, both Senators from New York were cosponsors. It meant a great deal to the whole metropolitan area to know that together we were going to find solutions and answers to transportation problems in the New York-New Jersey-Connecticut area, as well as in the hundreds of other metropolitan communities across the country. I am grateful for the support of the Senator from New York.

Mr. KEATING. I thank the Senator from New Jersey. The proposed legislation is of great importance to the New York City area.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. THURMOND. Mr. President, I have no illusions about the passage of the bill. I wish to be on record, however, as opposing it. I know of no authority under the Constitution for the National Government to enact a law of this kind. I know of no authority under our Constitution for the central Government in Washington to give or lend money to cities for the purposes specified in the bill. In my opinion we have

passed many measures for which there is no constitutional authority.

Moreover, if we did have the constitutional authority to go into the field of the proposed legislation, I think it would be unwise to do so. Where is the money to come from? We now have a debt of $292 billion. We are running deficits annually. We have run deficits in 25 of the last 35 years.

The interest on our national debt today amounts to 11 cents on every dollar received in taxation.

We cannot continue as we are going at present. If our cities, which are the richest sections in the Nation, cannot finance the proposed transportation study and cannot make provision to carry out the recommendations resulting from the studies after they have been made, who can do so?

There are only two sections in the Nation. They are the cities and the rural areas. Are we going to impose an additional tax on the rural areas in order to finance a solution of the problems of the cities? I do not think such action is right. Furthermore, the rural areas are unable to stand the expense.

If that is the case, then why not let each city and each State go forward with such programs as are here proposed, and not plunge the Federal Government into a new program, such as the one before us, which would require hundreds of millions of dollars?

On page 8 of the bill, under the heading "Urban Planning Grants," appears the following:

SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning on a continuing basis by State and local governments for urban development and the coordination of transportation systems in urban areas, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—.

The Administrator is authorized to do what? He is authorized to make planning grants. In other words, if the bill is enacted, the Administrator will be authorized to make grants to the cities for the purposes set out in the bill.

Again, Mr. President, where is the money coming from?

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS of New Jersey. I appreciate the Senator's yielding to me. I should like to say, in reply, that this money has been provided. Twenty million dollars has been authorized under the planning section for urban planning grants. Twelve million four hundred thousand dollars has been appropriated to date, and $4 million is expected to be appropriated for this year. That is where the money is coming from.

Mr. THURMOND. I thank the Senator for his remark. However, we can appropriate and we can authorize, but still, where is the money coming from?

Mr. WILLIAMS of New Jersey. About 75 percent of it is coming from the cities we are concerned about in the pending bill.

Mr. THURMOND. Where is the rest of it coming from?

Mr. WILLIAMS of New Jersey. I trust it will come from other areas which have income to support taxation.

Mr. THURMOND. I am sure the Senator realizes that there are only two categories of population in this Nation, and that is the cities and the rural areas. Is it the Senator's idea that the rural areas must come forward to help the cities?

Mr. WILLIAMS of New Jersey. I believe the time has come when the stark economic facts suggest that if we do not find ways to keep the rapid transit systems which exist, and improve those which exist, and restore those that have been abandoned, all of us will be called upon to spend billions of dollars, instead of the small amount that is called for in the bill, to keep the country free for travel, growth, communication, and interstate commerce.

Let us consider what happened to the city of Los Angeles. The city of Los Angeles discontinued its rapid transit system. They thought they saw their answer in the highways and in the automobile. I hope the Senator will take the time to read the record and note the disaster which now faces the city of Los Angeles in trying to recover from what I would think was the earlier mistake of discontinuing its rapid transit system. It will take far more to restore the rapid transit system in the city of Los Angeles than any amount involved in the program we suggest; and it has been found that the rapid transit system must be restored in downtown Los Angeles.

Mr. THURMOND. I heartily agree with the Senator that rapid transit must be provided for. I heartily agree with the Senator in his statement. However, I say it is not the problem of the Federal Government. It is the problem of the cities involved. If the cities involved, which are the cities with the greatest wealth in the United States, cannot go forward and undertake the responsibilities which are theirs, how can the Federal Government get the means from any other source except from the rural people?

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. WILLIAMS of New Jersey. I recognize how deeply the Senator feels that this is a local problem and a problem for the cities. I trust the Senator will be perfectly consistent when he considers the fact that the cities are called on to pay for storage and purchase of surplus farm commodities, which cost billions of dollars annually. Those of us who vote for these farm programs, and who live in cities and metropolitan areas, have the view that we do not think it is a mistake to do so, but that we are one Nation, and therefore when the farmers need help, we are ready to give them help. If the record is read by my good friend from South Carolina, he will note that we need some help in the cities to straighten out transportation, which is the lifeblood of communication and commerce in this country.

Mr. THURMOND. In reply to the distinguished Senator from New Jersey, I should like to say that I am sure his motives are of the highest. However, whether it is for the farms in the State or whether it is for the cities in the States, the National Government has no authority under the Constitution to go into this type of program.

I realize that it has been customary in the past few years for the Federal Government to enter into almost every type of program, and to be the banker of the Nation. Therefore I can see how my good friend from New Jersey has been misled into believing that this is the proper way to proceed. In my opinion, it is not constitutional. This is a matter which concerns urban areas. It is a matter which is entirely within a State. It is a matter that should be cared for within the State.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. THURMOND. The Senator from New Jersey referred to interstate commerce. If there is any provision concerning interstate commerce in the bill, that is a different matter. If it is for interstate loans, that can be taken care of under the Interstate Highway System. This is no place for the commingling of the problems of cities with problems of the National Government. It is my firm opinion that the problems of the cities should be solved by the cities. If the cities will assume their responsibilities, and if the States will assume their responsibilities toward the cities, that is the proper way for it to be done.

When the Constitution was written, the fields of activity in which the National Government was to operate were listed in the Constitution. These are the coining of money, national defense, and interstate commerce, and foreign affairs. Those are the things that the National Government can do better for each State than each State can do for itself.

Under the 10th amendment all other rights were reserved to the States. The National Government has no jurisdiction in this field. Furthermore, as I stated, we do not have the money. There is no State in the Nation that is not better able to care for its schools than is the National Government. There is no State in the Nation that is not better able to take care of the problems of its cities than is the National Government.

This is another example of the National Government entering a field in which it has no constitutional authority. Even if it did have the constitutional authority, we do not have the money with which to do it. Every dollar that will go to these cities will have to be borrowed, as the Senator knows. The hundreds of millions of dollars that will go into the program will have to come out of the National Treasury. We do not have the money in the National Treasury. We have a debt of $292 billion, on which we ought to begin paying something. We have been running deficits more often than not for 25 or 30 years. Where is it all going to stop?

Is it the obligation of the National Government to assume all the problems of the cities of the Nation, of all the school districts of the Nation, of the local towns and cities of the Nation? I say it is not. For that reason I oppose the bill. As I stated, I have no illusions about the Senate passing the bill, because I know what the Senate has done on similar matters. I believe we should follow the Constitution. If it is thought necessary to do so, we should amend the Constitution to provide for this matter, and not usurp the rights of the States and put the Federal Government in a field in which it has no authority. That is my position on this subject.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS of New Jersey. In reply to the Senator's statement with respect to the ability of States and municipalities to meet the heavy demands for public transportation, planning, and growth, I should like to point out that since 1950 State and local debt has risen 169 percent, or 15 times as fast as the Federal debt, which has risen only 11 percent.

In connection with the program for improving transportation, the record will reflect the fact that this program will not be a net loss but that it is a loan program, and if the program follows the history of the college housing program we can fully expect that all of the money will be returned with interest to the Federal Government.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. THURMOND. On that point, I may say that from 1787, when the Constitution was adopted at Philadelphia, until 1937—150 years—the United States had spent $157 billion to meet Government expenses. Within the last 2 years, $159 billion has been spent in the operation of the Government. In other words, during the past 2 years $2 billion more has been spent in the operation of the Federal Government than was spent in the first 150 years of the existence of the Nation. It is my firm opinion that that is not a sound fiscal operation. It is my firm opinion that it is necessary to begin to reduce Government expenses rather than to increase them.

The Senator referred to the housing bill. I should like to know the authority for the housing bill under the Constitution. If the Senator has an answer to that question, I shall be glad to hear him state what authority the Government has for entering the housing field in each State and in each city.

Mr. BUSH. Mr. President, if the Senator from South Carolina will yield to me, I shall be glad to comment on that question, if he would care to have me do so, because I am a member of the Committee on Banking and Currency.

Mr. THURMOND. I am glad to yield to the Senator from Connecticut to answer my query.

Mr. BUSH. Mr. President, I congratulate the Senator for not having, to any great degree, a transportation problem in the State of South Carolina. I believe the problem of mass transportation is not an aggravated one in that area, and that is very fortunate.

Mr. THURMOND. It is not a question whether South Carolina has that problem; the question is whether there is any authority under the Constitution for the Federal Government to enter that field. The next question is, Where will the money come from, if we go into that field? I realize that the Senator from Connecticut makes the point that South Carolina does not have such a problem, and therefore I should not be taking the position I am taking. But that is an altogether incorrect position for him to take.

Mr. BUSH. May I continue with my point? I want to come to grips with the Senator's question as to what business of the Federal Government, the question of mass transportation is, anyway.

There are many issues in towns within a State which are communal in nature. In such cases, the State itself frequently takes the leadership in studying the problems on behalf of the towns, and even finances the solution of the problem, so that a satisfactory result may be accomplished. The State will secure the best advice and widest advice which can be brought to bear upon the problems concerned.

In this instance, a similar situation exists among many of the great congested areas. In other words, the transportation problems of Chicago, Philadelphia, New York, Los Angeles, and many other large, congested areas are not dissimilar. They are quite similar. Therefore, it is not inappropriate, it seems to me, for the Federal Government to interest itself in trying to find a solution to the problems which will give aid and comfort to the cities where the problem is acute.

What appeals to me in the bill is the urban planning grants and assistance which the Federal Government is offering in trying to find solutions for a very aggravated transportation problem. The problem itself is somewhat aggravated, not by the Federal Government, but by interstate commerce, over which Congress certainly has the authority to legislate. The area comprising the State of the Senator from New Jersey [Mr. WILLIAMS] and my State of Connecticut, in the midst of which is the State of New York, poses a communal problem. Pennsylvania also has a very direct interest in the solution of the problem. I certainly think that that is an interstate problem. Therefore, I do not believe there is any question about the constitutionality of the bill; in fact, I should say there is far less question about that than about many other bills in which Federal assistance has been sought. The problem sought to be solved by the bill has national proportions.

The development of the highways, which has been financed by the Federal Government, to a great extent, through the system of interstate defense highways, under an act passed in 1956, has aggravated the problem materially.

So I believe the national interest is involved. The question is how to unfreeze the terrible congestion, which is getting worse and worse in the big centers of population, which are important factors in industry and commerce, and therefore in the defense of the United States.

Mr. THURMOND. In reply to the distinguished Senator from Connecticut, whom I hold in the highest esteem, I realize that a transportation problem exists in the cities of Connecticut and of a number of other States, perhaps even in my own State. However, that is not the question on which I am hinging my argument. The problem exists, no doubt; but the problem should be met by the States and the cities involved, not by the Federal Government. I know of no constitutional authority which would allow the Federal Government to attempt to solve the transportation problems of the cities.

If interstate questions are involved—questions of the national defense or of traveling from one State to another—I can see a basis for the Federal Government to enter into the question.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. BUSH. That is the question which is involved. There is an interstate question in the very area I was discussing. That is a part of the problem.

Mr. THURMOND. The problem is one for each State to solve in conjunction with the other States, as the States have done in the past in connection with interstate bridges and highways, such as to have them meet at certain points, and so forth. But it is still a local problem. Unless an interstate problem affecting the Nation is involved, I do not see how the Federal Government has authority to enter into this field. The States involved could enter into compacts, as some States have done with respect to regional education, for instance. When I was Governor of South Carolina, my State entered into a compact with a number of other States with respect to regional education. Five States were joined in that compact.

I believe the problem of mass transportation is one on which the States should work together. The great preponderance of the problem rests in the urban areas of each State. A few highways may cross from one State to another, but the main purpose of the bill, as I construe it, is to help the urban areas to provide for transportation studies and to help solve them.

Mr. BUSH. Mr. President, will the Senator further yield?

Mr. THURMOND. I yield.

Mr. BUSH. The Federal Government has subsidized almost every form of transportation in the United States except the railroads. Involved in the problem of mass transportation is the fact that we must come to grips, in part, with the problems of the railroads, particularly those which are connected closely with commuting to and from the major cities. The Interstate Commerce Commission is today holding hearings in New Haven, Conn., in connection with this very problem. The Interstate Commerce Commission is a Federal agency, as the

Senator knows. So there is nothing new about the Federal Government having an interest and a stake in this situation. It is a Federal responsibility.

Mr. THURMOND. Is there a segregation of grants and loans, and so forth, for interstate problems, as compared with problems directly affecting the urban areas in a State?

Mr. BUSH. If I understand the Senator's question correctly, I should say that any loan made under the bill within, let us say, the city of New York would have a direct benefit on the welfare and the convenience of the citizens of New Jersey and Connecticut, where a tri-State situation is involved, without any doubt. For instance, if there is a more adequate mass transportation system in the vast metropolitan area of New York, including New Jersey and Connecticut, much of the automobile traffic would be dispensed with, and movement in the city of New York would become more efficient and more viable. The city would become a better place in which to work and live. That would be to the advantage of people from other States who come from all the States and of visitors from all over the world.

Mr. THURMOND. Is there any reason why those States should not join together and solve this problem themselves?

Mr. BUSH. I think the solution of the problem will eventually devolve upon them. What the Federal Government will do under the bill will simply be to assist in the premises in order to provide some wise planning and research.

With respect to the question, What is the best way to come to grips with the problem of fiscal responsibility, I think the Senator's argument about the impropriety of the Federal Government in this particular matter is not consistent with the actual facts of the matter.

Mr. THURMOND. The Senator knows, of course, that the bill provides for planning grants for the cities, does he not?

Mr. BUSH. That is correct.

Mr. THURMOND. The grants will be used by the cities within the State boundaries. There may be a few isolated instances in which they may cross State boundaries. However, the bill is designed primarily to help cities and urban areas, is it not?

Mr. BUSH. Did the Senator ask me a question?

Mr. THURMOND. I did.

Mr. BUSH. I am sorry; I did not hear the Senator's question.

Mr. THURMOND. The bill is designed primarily to be of assistance to cities and urban areas. It is not designed as an interstate bill. It is designed primarily to help cities and urban areas.

Mr. BUSH. That is where the problem is. But that problem also affects the lives of hundreds of thousands of other citizens who move back and forth between those areas and in those areas. So the problem is not only a local one; it also involves the areas around the great metropolitan centers.

Mr. THURMOND. But all the States are contiguous; and I do not think that answer should be taken as a plausible one, because a problem in any State might affect the people in adjoining or continguous States.

When it is said that these problems are interstate problems, let me say that the problems to which this bill, as I construe it, is primarily directed are city and urban problems, not interstate problems.

Of course, in a few isolated instances, they might be interstate problems; if so, they could be considered separately.

But the bill is entitled "to amend section 701 of the Housing Act of 1954—relating to urban planning grants—and title II of the Housing Amendments of 1955—relating to public facility loans—to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas."

I do not think there is any question that the bill is designed to help the metropolitan areas.

My position is that the metropolitan areas should solve these problems themselves, and should not attempt to dump them into the lap of the National Government. The National Government already has all the problems it can deal with, including the matter of national defense, which is of vital importance to the Nation, and even to the very survival of the Nation; and we should be providing more missiles and more airlift, and so forth, and should be concentrating on the things the Constitution says are primarily within the jurisdiction of the National Government. We should leave to the States and to the cities the things which are primarily their responsibility.

The National Government has gone into all kinds of other fields; and I realize that the problem dealt with by this bill is a similar one.

But it is my opinion that the National Government has no constitutional authority to do those things; and even if it does have such authority, it does not have sufficient funds to deal with them.

Today, there is an attempt to concentrate more and more authority in Washington and to have the National Government solve almost every conceivable problem. But that was not the intent of the Founding Fathers in 1787; neither was it the intent of those who wrote the various amendments to the Constitution.

All these additional moves are attempts to chip off, here and there, the Constitution itself. In short, today we have been violating the Constitution and its provisions in regard to the three separate and independent branches of the Government; and certainly we shall be violating the Constitution if we have the National Government operate in the field of transportation in the cities and other urban areas of the Nation.

Mr. BUSH. Mr. President, in the committee I objected to the backdoor method of financing the bill. However, I consider the bill of sufficient merit to justify its enactment, even though I object to the financing method, for I see no possibility of avoiding that method of financing the bill.

Therefore, Mr. President, I shall support the bill.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, coming from an area which pays approximately 20 percent of the taxes received by the Federal Government, which has to handle probably 50 or 60 percent of the problem involved in the bill, I should like to declare to the Congress, first, my tremendous respect for the Senator from South Carolina [Mr. THURMOND], who has laid the constitutional problem before us. He is entirely correct; and I think my colleagues have been entirely correct in their efforts to answer, because it is a perfectly proper question to be answered on the record.

In our area, we have metropolitan areas and cities which are parts of the States, whereas in the report these metropolitan areas are dealt with as parts of the Nation. Hence, the Nation can deal with these problems, whereas we must deal with them through the States.

It is true that some States, such as New York and New Jersey, have done a great deal to help with the commutation problem. The Federal Government is involved because of the interstate commerce factor. For the same reason, the Congress passed the Transportation Act of 1958, which authorizes the appropriation of approximately $500 million for guaranteed loans to the railroads.

The second reason why we must deal with this problem is that the Federal Government is conducting an extremely large highway construction program.

One of the very interesting facts in regard to the commuter railroad business is that it takes between 10 and 20 lanes of highway—according to the estimate made by the staff of the Senator from New Jersey—to replace a 2-track commuter railroad. In short, mass transportation takes some of the very great burdens, and avoids the necessity to construct many roads.

On pages 2 and 3 of the committee report is to be found an estimate in that connection—namely, that the American Municipal Association, in a survey of mass transportation in five major cities, estimated that if New York, Chicago, Philadelphia, Boston, and Cleveland were to lose their rail commuter service it would cost $31 billion, with 30-year 4-percent financing, to build the highways necessary to serve a comparable number of people.

In short, although I deeply respect the argument which has been made, I desire to point out that this bill deals with, first, an interstate problem; second, a roadbuilding problem; third, a problem of the facilitation of commerce and trade and the ability to get people to work—all of which are directly and importantly of interest to the Nation.

Therefore, Mr. President, coming from the largest commutation center in the country, I join, along with the Senator from New Jersey [Mr. WILLIAMS], in endorsing the bill; and I think enactment of the bill is fully justified under modern concepts and modern constitutional principles, because of the new situation which has arisen because of the development of modern technology.

Mr. DODD. Mr. President, I am very strongly in favor of the bill. All who live in Connecticut need very much the help this bill will provide.

Like the Senator from New York [Mr. JAVITS], who spoke a moment ago, I am particularly conscious of the constitutional questions; and I understand the difficulties which confront our colleague, the Senator from South Carolina [Mr. THURMOND].

But, Mr. President, this help is very badly needed in the heavily congested areas, such as the State in which I live.

Therefore, I should like to commend the Senator from New Jersey [Mr. WILLIAMS] for giving leadership to this measure; and I also wish to commend my colleague from Connecticut [Mr. BUSH], who has done great work in this field. Both of them deserve the gratitude of the people of our respective States and also the gratitude of the Senate.

Mr. THURMOND. Mr. President, in reply to the statement made by the Senator from New York about making loans to the railroads, let me state that the theory for that, as I understood it, was that they were vital and essential to the national defense. In short, in the event of emergency, the railroads will be needed for transportation from one side of the country to the other; they will be needed to haul troops, equipment, and materiel. That was also the main argument which was advanced when this mass transportation program was brought forward.

A similar argument was made in regard to the highway system and the program for it—namely, that the highways are needed in order to provide transportation across the Nation—from north to south, and from east to west—in order to haul equipment, tanks, troops, and other necessary items in the event of an emergency. In fact, I predict that perhaps they will also be needed to facilitate the hauling of missiles, because I believe it will not be too long before we shall have transportable bases for missiles. That factor is highly important, because the Communists could zero in on our missile bases. Just as we have the Polaris submarines, which are movable bases under the water, if we have movable bases for our missiles, they can move up and down the highway and up and down the railroad. In that way the Communists will not be able to zero in on them.

There is no question in my mind that the railroads and the interstate highways are essential to our national defense. That was the theory on which, as I understood, the Federal Government entered this field.

Someone has said the cities need help. I certainly do not deny there is help needed. There is no question that the cities probably need help. But I say there is only one of two ways to do it: One is to let the cities or States finance and provide for it, and the other is to amend the Constitution of the United States to delegate this field to the National Government. It has never been delegated, and therefore it is reserved to the States.

For those reasons, I think it is clear that the National Government does not have authority to go into this field. Furthermore, we do not have the money, if we desired to do it.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (S. 3278) was passed.

Mr. CLARK. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE TOMORROW

Mr. McCLELLAN. Mr. Preisdent, I ask unanimous consent that the Committee on the Judiciary, considering S. 3548, be authorized to meet tomorrow to hold hearings while the Senate is in session. I may state that I have cleared this request with the leadership and I have also cleared it with the distinguished Senator from Oregon, who objected to a similar request a few days ago.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate tomorrow.

INCLUSION IN CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY LIMITATION ON THE TYPE AND EXTENT OF SERVICES

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1630, Senate bill 1543.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1543) to amend the Federal Aviation Act of 1958, to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of services authorized, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment.

AMENDMENT OF PUBLIC ASSISTANCE PROVISIONS OF SOCIAL SECURITY ACT

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to amend the public assistance provisions of the Social Security Act to enable the States to establish more adequate general assistance programs.

Joining me as cosponsors of the bill are the other majority members of the Special Senate Committee on Unemployment Problems: Senators McNAMARA, of Michigan; CLARK, of Pennsylvania; RANDOLPH, of West Virginia; HARTKE, of Indiana; and McGEE, of Wyoming.

Mr. President, this is the 25th anniversary of the Social Security Act. This legislation was a historic step toward the solution of social welfare programs in this country.

The Social Security Act was drafted with the conviction that the great majority of Americans would be able to care for their personal and social needs through their work and income, and that the only sound basis of a social welfare program is a healthy economy with a rate of growth which will assure jobs and a fair return to workers. To this was added the security of mass insurance: that by taking a small percentage of income regularly citizens could be insured against the major hazards of old age.

In addition, the Social Security Act reflected an understanding of the fact that some needs could not be met through insurance programs. In keeping with our moral principles regarding the worth of every individual, we recognized a responsibility for the citizens who, through some misfortune, were unable to provide for themselves. The act provided for Federal grants-in-aid to the States to assist in care of the aged, dependent children, and the blind. In 1950 the permanently disabled were added to those eligible.

Through the years, improvements have been made in coverage and in the amount of benefits to keep the programs in line with economic and social changes. Only one group of needy persons is still excluded from Federal assistance. These are the some 400,000 cases in the general assistance category where State and local governments must bear the full cost.

The evidence is clear that in most instances the States have been unable to maintain adequate services and that the general assistance recipients are among our most neglected citizens. Federal participation would enable the States to provide somewhat comparable services for these needy people.

The hearings conducted by the Special Committee on Unemployment Problems brought out the need for this program. In 14 States the underemployed and the unemployed who have exhausted their unemployment insurance benefits are generally ineligible for general assistance.

In 17 States the local communities are expected to bear the full cost, and consequently the programs are often very inadequate, especially in areas of chronic unemployment. The testimony given to the committee about the suffering of thousands of American children was shocking. If a father is not covered by unemployment insurance, or if he has exhausted his benefits, and if he is medically approved as employable, then in several States neither he nor his family is eligible for any kind of benefits.

We had extensive evidence of families without sufficient food for minimum health needs, of children without sufficient clothing to start school, and of great numbers of children for whom the school hot lunch was the only substantial food in their day. I believe that anyone who reads the testimony in the hearings of the Committee on Unemployment Problems will agree that this is a most serious problem. A system of State programs in which the Federal Government assumes some responsibility is the most equitable solution and will guarantee that no American family is without some place to turn in times of extreme emergency.

Mr. President, I ask unanimous consent that the summary and recommendations of the committee regarding public assistance be printed in the RECORD at this point.

There being no objection, the summary and recommendations were ordered to be printed in the RECORD, as follows:

PUBLIC ASSISTANCE

There is at the present time no Federal assistance program for the unemployed person. A man who becomes unemployed usually assumes that he will soon be called back to work, or that he will be able to get another job. He cuts down on normal expenditures, draws on his resources, and relies on unemployment compensation to get him through the period between layoff and return to work. For many of the unemployed this is a typical sequence and the man resumes work. For many millions of American workers in the past decade, however, the story has not ended this way. And if the period of unemployment compensation ends while the worker is still unemployed, he and his family face economic disaster and must look to the community for public assistance.

During the first part of the 1930's, the Federal Government assumed responsibility for providing assistance, or relief, and for supplying jobs for the unemployed. With the adoption of the Social Security Act and the unemployment insurance system, the responsibility for providing public assistance to the needy was returned to the States and to local governmental units. The Federal Government has since confined its assistance to four groups: the aged, dependent children, the blind, and the permanently and totally disabled.

In practice, counties and States have not as a general rule assumed full responsibility for assisting the unemployed. The failure to aid those who have exhausted their unemployment benefits was described in detail at every hearing conducted by the committee. It has been assumed, apparently, that a man who wants to work can get a job within the period of unemployment compensation, but the high rate of exhaustions following long-term unemployment contradicts the assumption.

The belief persists widely among Americans that the man who experiences continued unemployment is personally at fault and that his condition is his own responsibility. This view is not shared by those who deal personally with the problem. A district supervisor of public assistance for five West Virginia counties who has been in social welfare work for 27 years told the committee:

I would like to talk to you just a moment about the results of unemployment. It is heartbreaking sometimes, as I talk to some of these people in need, that I am in the position, or our department is in the position that we cannot help them. They want work. They want work that produces; they don't want work that is merely set up as a plan instead of assistance. They want work that produces a commodity that is useful, that is needed, that boosts their morale and is an incentive to make better citizens.

A man came into the office not too long ago and he said, "Lady, I am not disabled, and I don't want assistance. But * * * I am 45 years of age, I have two children in high school, the rest of my children are in the grades, and they can't go to school because they don't even have shoes."

I wish that I had the answer to the problem * * *. My department has been criticized time and time again by some people who are cynical. They don't like to see anybody get assistance; in fact they believe anybody who gets assistance is no good * * *. They have never had a bare cupboard for their folks. We don't know what it means to be without food until we experience it, until we see it. And I have seen it.

THE ADVISORY COUNCIL ON PUBLIC ASSISTANCE

On January 1, 1960, the Advisory Council on Public Assistance appointed a year earlier by the Secretary of Health, Education, and Welfare, issued a report. The Council's recommendations include the following:

Extension of coverage of financially needy people: The Social Security Act should be amended to add a new provision for Federal grants-in-aid to States for the purpose of encouraging each State to furnish financial assistance and other services to financially needy persons regardless of the cause of need (including for example, the unemployed, the underemployed, and the less seriously disabled).

Extension of the aid to dependent children program: Under existing provisions for aid to dependent children. Federal grants-in-aid are available to the States only for the assistance of children deprived of support or care because of the absence, death, or incapacity of one parent. As a result, in many States destitute children living with two able-bodied parents are actually penalized. On the premise that a hungry, ill-clothed child is as hungry and ill-clothed if he lives in an unbroken home as if he were orphaned or illegitimate, the program for aid to dependent children should be expanded to include any financially needy children living with any relative or relatives "in place of residence maintained by one or more of such relatives as his or their own home."

Residence requirements: The great majority of States have residence requirements that exclude many financially needy persons from public assistance. Federal grants-in-aid should be available only for those public assistance programs imposing no residence requirement that denies any needy person in the State help to which he would otherwise be entitled.

Adequacy of assistance: In view of the evidence of unmet need, steps should be taken by Federal, State, and local governments toward assuring that assistance payments are at levels adequate for health and well-being * * *. [Further] the Federal Government should exercise greater leadership in assuring that assistance payments are at levels adequate for health and well-being * * *. [The Federal Government] should promote greater public understanding as to what constitutes a level of living sufficient to maintain health and well-being, and the relationship of present payments to such level * * *.

The recommendations of the Advisory Council on Public Assistance are directed to correction of the same deficiencies in existing programs which the committee found at its hearings. Eligibility requirements for assistance to the unemployed are determined by State and/or local governmental units and vary among States and among localities within the same State (chart 18). The following 14 States and 3 jurisdictions provide no regular assistance to needy families with employable members: Arizona, District of Columbia, Georgia, Hawaii, Iowa, Louisiana, Maryland (except 4 counties), Mississippi, Missouri, Nevada, North Carolina, Oklahoma, Puerto Rico, South Carolina, Texas, Virgin Islands, and West Virginia. Four other States provide no general assistance to employable single persons or to couples without children.

RESIDENCE REQUIREMENTS

Most of the 32 States that provide some aid to employable persons place varying limitations on the availability of assistance. Twenty-two of these States have residence requirements, which may mean that continuing assistance is not available except to persons who have been in the State (and sometimes in the county) for 1, 2, 3, or more years. Two States give no aid to nonresidents; the 20 other States with residence requirements provide assistance in emergency situations or pending the return of the needy person to his place of legal residence. A man who moves his family to obtain employment thus risks being ineligible for assistance should he be laid off; in that case, he would be in a worse situation than if he had remained home.

Residence requirements impose particularly severe hardships on migratory workers. A subcommittee of the Senate Committee on Labor and Public Welfare has made an extensive study of this problem, so the Committee on Unemployment Problems took no testimony on the subject.

As long as public assistance is exclusively a State or local responsibility, residence requirements appear to the States to be necessary to prevent people from leaving localities with inadequate programs to take up residence in localities with better programs. A Federal program providing more nearly equal assistance would remove this incentive.

INADEQUATE PROGRAMS

The amount of general assistance provided in States which do take care of needy, unemployed persons is inadequate. According to a committee study, the general assistance programs of seven States meet emergency needs only. Sixteen States impose limitations on the amount of assistance regardless of the need. Other States which have no legal maximums have actually paid less than the amounts prescribed as minimum because funds available for assistance have been limited.

In most States, general assistance standards and payments are lower—often considerably lower—than those under federally aided programs. In October 1959, the average monthly payment across the Nation for a general assistance case was $23.66 per person. Even payments for aid to dependent children, which are lowest in the federally aided categories and generally most inadequate in relation to need, exceeded the averages for general assistance (chart 19). The average payment per dependent child in October 1959 was about $28.33. In the same month, the nationwide average payment to an individual receiving old-age assistance was $66; aid to the blind averaged $69 per individual.

One of the conditions for receipt of Federal aid in the programs for the aged, blind, and so forth, is that assistance, except for medical care, be in the form of cash payments to the individual. About one-third of the amounts spent for maintenance needs (that is, for needs other than medical care) under the States' general assistance programs, however, is in the form of vendor payments to grocers, landlords, and utility companies. The recipient is thus deprived of effective choice of foods or other items of consumption and is marked in the community as a person on relief.

An important reason for insufficient assistance to the unemployed is lack of funds. The costs of assistance payments overall are now met on a nearly equal basis by local and State funds. Local taxes are usually based on property; this gives local communities a much narrower tax base than the Federal or State Governments. Moreover, local communities and States which have been hardest hit by chronic unemployment are least able to provide the large sums necessary when unemployment benefits expire.

In many States which provide assistance, eligibility depends upon an applicant's having exhausted all family assets. A person must have disposed of his home, his automobile, and various durable household goods before applying for assistance. Certainly requirements such as these do not strengthen the unemployed person's ability to find work when jobs become available.

Some measure of relief has been attempted by the distribution of surplus foods to the unemployed. This type of relief is inadequate as well as demeaning, and has the additional disadvantage of providing an unbalanced and unpalatable diet, because distribution is limited to foods which happen to be surplus.

SUMMARY

An adequate general assistance program including the unemployed would provide the necessary supplement to our unemployment insurance system and to any special programs of retraining or rehabilitation which may be developed. It would also be consistent with other measures designed to raise the standard of living and economic potential of communities and States which have fallen behind the general pace of economic development in this country. The more successful the other measures, the smaller the reliance on general assistance.

The lack of a nationwide general assistance program leaves a serious gap in our total effort to deal with the problems of persistent unemployment in a rapidly changing economy.

The committee recommends that the Federal public assistance program be amended as follows:

1. Federal grants-in-aid should be available to the States to encourage each State to furnish financial assistance and other services to all needy persons, including the unemployed and underemployed.

2. Federal grants-in-aid should be available only to those States whose public assistance programs impose no residence requirements which deny any needy person help to which he otherwise would be entitled.

3. The level of assistance payments should be reviewed and made adequate for health and well-being.

4. The Federal Government should match State and local funds on the basis of an appropriate formula.

Mr. McCARTHY. Mr. President, I ask unanimous consent that there be printed in the RECORD four tables compiled by the Department of Health, Education, and Welfare. These tables provide a basis for judging the size and adequacy of the various forms of public assistance and of the general assistance programs of the States.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SOURCE OF FUNDS EXPENDED FOR PUBLIC ASSISTANCE PAYMENTS, FISCAL YEAR ENDED JUNE 30, 1959

TABLE I.—*Special types of public assistance and general assistance: Expenditures for assistance to recipients, by program and source of funds, fiscal year ended June 30, 1959 (including vendor payments for medical care)*

[Dollar amounts in thousands]

Program	Expenditures from—				Percentage distribution by program			
	Total	Federal funds	State funds	Local funds	Total	Federal funds	State funds	Local funds
Total	$3,574,327	$1,847,971	$1,281,160	$445,196	100.0	100.0	100.0	100.0
Special types of public assistance	3,148,114	1,847,971	1,056,436	243,707	88.1	100.0	82.5	54.7
Old-age assistance	1,858,004	1,092,347	655,375	110,282	52.0	59.1	51.2	24.8
Aid to dependent children	956,380	574,351	282,690	99,338	26.8	31.1	22.1	22.3
Aid to the blind	89,066	44,515	37,971	6,579	2.5	2.4	3.0	1.5
Aid to the permanently and totally disabled	244,664	136,758	80,399	27,507	6.8	7.4	6.3	6.2
General assistance	426,214	----------	224,724	201,490	11.9	----------	17.5	45.3

TABLE II.—*General assistance: Expenditures for assistance to cases, by source of funds, fiscal year ended June 30, 1959* [1]

[Amounts in thousands]

State	Total assistance including vendor payments for medical care	Vendor payments for medical care		Total including vendor payments for medical care			
				State funds		Local funds	
		Amount	Percent of total	Amount	Percent	Amount	Percent
Total	$426,214	$95,954	22.5	$224,724	52.7	$201,490	47.3
Alabama	16	(2)	1.0	15	98.8	(2)	1.2
Alaska	584	423	72.4	584	100.0	----------	----------
Arizona	1,474	----------	----------	1,474	100.0	----------	----------
Arkansas	86	----------	----------	86	100.0	----------	----------
California	25,280	885	3.5	----------	----------	25,280	100.0
Colorado	2,969	1,970	66.4	----------	----------	2,969	100.0
Connecticut [3]	7,265	2,585	35.6	3,269	45.0	3,996	55.0
Delaware	1,417	----------	----------	709	50.0	709	50.0
District of Columbia	1,133	7	.6	1,133	100.0	----------	----------
Florida [3]	3,290	----------	----------	----------	----------	3,290	100.0
Georgia	662	----------	----------	----------	----------	662	100.0
Hawaii	1,115	----------	----------	1,115	100.0	----------	----------
Idaho [4]	22	----------	----------	----------	----------	22	100.0
Illinois [1]	57,372	14,836	25.9	42,612	74.3	14,760	25.7
Indiana	10,830	3,664	33.8	----------	----------	10,830	100.0
Iowa	5,832	3,836	65.8	----------	----------	5,832	100.0
Kansas	2,210	616	27.9	1,085	49.1	1,125	50.9
Kentucky	1,139	----------	----------	----------	----------	1,139	100.0
Louisiana	5,600	51	.9	5,600	100.0	----------	----------
Maine [1]	3,150	1,605	51.0	1,567	49.7	1,583	50.3
Maryland	2,156	----------	----------	1,076	49.9	1,081	50.1
Massachusetts	10,055	2,038	20.3	2,145	21.3	7,911	78.7
Michigan [1]	64,807	17,580	27.1	26,013	40.1	38,794	59.9
Minnesota	10,927	3,544	32.4	866	7.9	10,061	92.1
Mississippi	169	----------	----------	----------	----------	169	100.0
Missouri	5,973	133	2.2	5,774	96.7	199	3.3
Montana	$3,084	$2,368	76.8	$711	23.0	$2,373	77.0
Nebraska	1,485	775	52.2	----------	----------	1,485	100.0
Nevada [3]	198	30	15.2	----------	----------	198	100.0
New Hampshire	1,008	278	27.6	----------	----------	1,008	100.0
New Jersey	13,457	2,167	16.1	6,442	47.9	7,015	52.1
New Mexico [1]	419	151	35.9	360	85.8	60	14.2
New York	49,147	7,130	14.5	26,174	53.3	22,973	46.7
North Carolina	3,499	2,795	79.9	----------	----------	3,499	100.0
North Dakota	598	261	43.6	29	4.8	569	95.2
Ohio	50,407	16,550	32.8	41,922	83.2	8,485	16.8
Oklahoma	1,275	----------	----------	360	28.2	915	71.8
Oregon	4,611	742	16.1	3,228	70.0	1,383	30.0
Pennsylvania [1]	29,227	1,267	4.3	29,227	100.0	----------	----------
Puerto Rico	154	----------	----------	154	100.0	----------	----------
Rhode Island	3,656	687	18.9	2,559	70.0	1,097	30.0
South Carolina	486	129	26.4	275	56.5	211	43.5
South Dakota	1,759	1,423	80.9	----------	----------	1,759	100.0
Tennessee	482	----------	----------	----------	----------	482	100.0
Texas [3]	2,846	----------	----------	----------	----------	2,846	100.0
Utah	1,751	19	1.1	1,751	100.0	----------	----------
Vermont [3]	837	----------	----------	84	10.0	753	90.0
Virgin Islands	35	2	4.7	35	100.0	----------	----------
Virginia	1,104	149	13.5	565	51.2	539	48.8
Washington	14,628	2,108	14.4	14,628	100.0	----------	----------
West Virginia [1]	1,362	183	13.5	357	26.2	1,004	73.8
Wisconsin	12,474	2,687	21.5	417	3.3	12,056	96.7
Wyoming	690	280	40.6	325	47.1	365	52.9

[1] Includes expenditures for medical care program administered by public assistance agency and financed from funds other than those for old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled, or general assistance.

[2] Less than $500.
[3] Estimated.
[4] Incomplete.

TABLE IV.—*Amount expended per inhabitant [1] for public assistance payments including medical care vendor payments, fiscal year ended June 30, 1959*

	Old-age assistance	Aid to dependent children	General assistance	AB [2]	APTD [3]		Old-age assistance	Aid to dependent children	General assistance	AB [2]	APTD [3]
U.S. average	$10.54	*$5.42	$2.42	*$0.51	*$1.39	Nebraska	$8.74	*$2.42	$1.02	*$0.64	*$0.86
Oklahoma	35.29	9.41	.56	*.89	*3.73	Wisconsin	8.48	3.98	3.17	*.24	*.44
Colorado	34.86	*5.94	1.74	*.17	*2.41	Tennessee	*8.34	*5.12	.14	*.46	*1.08
Louisiana	31.41	*8.24	*1.80	*.74	*3.07	Montana	*8.27	*4.05	4.48	*.47	*1.79
Washington	20.78	8.09	5.28	*.33	*2.68	Arizona	8.24	7.04	1.29	.57	0
Massachusetts	19.80	*5.32	*2.07	*.59	[4] 2.77	Nevada	7.96	3.85	[5] *.74	*.72	0
Missouri	18.93	6.05	*1.40	.90	2.46	Utah	7.70	*6.10	*2.02	*.21	*2.02
California	18.62	9.24	*1.76	*1.22	.34	Ohio	7.65	*3.13	5.39	*.30	*.85
Arkansas	18.12	*3.06	.05	*.73	*1.67	New Hampshire	7.40	*3.23	*1.73	*.37	*.65
Alabama	*16.28	*2.25	*([5])	*.20	*1.50	Rhode Island	7.16	7.76	4.18	*.13	*2.78
Texas	14.52	2.27	[6] .30	.45	.28	Michigan	7.03	*5.16	8.24	*.21	*.50
Minnesota	14.41	4.87	3.24	*.38	*.45	Virgin Islands	*6.68	*4.38	*1.45	*.26	*1.25
Georgia	14.27	4.31	.17	.57	2.70	Illinois	6.63	6.24	5.80	*.30	*1.76
Mississippi	13.13	3.89	.08	1.22	1.18	South Carolina	6.52	2.62	*.20	.37	1.34
Kansas	13.05	*4.19	*1.04	*.29	*1.93	Alaska	6.51	8.07	3.50	.46	0
North Dakota	11.42	*4.48	*.92	*.13	[4] 1.78	New York	6.42	7.99	*3.03	*.32	[4] 2.80
Iowa	*10.89	*4.53	2.07	*.53	0	North Carolina	*5.16	*4.98	.77	*.65	*2.03
Vermont	10.26	3.82	[6] 2.25	.25	1.38	Indiana	4.60	*2.98	2.36	*.35	0
Florida	*10.08	4.26	[6] .74	*.40	*1.14	West Virginia	*4.55	*10.94	*.69	*.26	*1.72
Oregon	9.66	*5.33	*2.60	*.16	[4] 2.82	New Jersey	3.34	*3.06	*2.34	*.16	*1.07
Wyoming	9.55	*3.63	2.16	*.18	*1.44	Pennsylvania	*3.25	*5.50	*2.63	*1.20	*1.00
Kentucky	9.39	5.83	.37	.54	1.29	District of Columbia	*2.93	*7.37	*1.37	*.23	*2.65
Maine	9.16	*6.43	3.31	*.38	*1.41	Maryland	*2.26	*3.66	.73	*.11	*1.39
New Mexico	9.04	11.17	*.50	*.34	*1.98	Delaware	1.94	3.86	3.12	*.50	.53
Idaho	*8.91	5.04	[7] .03	*.22	*1.19	Virginia	*1.83	2.19	*.28	*.17	*.81
South Dakota	8.86	5.14	2.52	.16	1.00	Hawaii	*1.74	6.97	1.93	*.12	*1.54
Connecticut	8.79	5.79	[6] 3.14	*.17	*1.46	Puerto Rico	1.72	3.65	.07	.08	.95

[1] Based on population as of July 1, 1958, excluding Armed Forces overseas estimated by Bureau of Census with exception of Alaska, Hawaii, Puerto Rico, and the Virgin Islands; population for these jurisdictions estimated by the Bureau of Public Assistance.
[2] Aid to the blind.
[3] Aid to the permanently and totally disabled.
[4] Vendor payments for medical care per inhabitant of $1.06 for Massachusetts, 71 cents for New York, 56 cents for North Dakota, and 60 cents for Oregon.
[5] Less than 1 cent.
[6] Estimated.
[7] Incomplete.
*Vendor payments for medical care of less than 50 cents per inhabitant.

TABLE III.—*Proportion of population receiving public assistance (recipient rates) in the United States, June 1959* [1]

[Except for general assistance, includes recipients receiving only vendor payments for medical care. Caution should be used in making comparisons with earlier rates because of revisions in population estimates on which rates are based].

OLD-AGE ASSISTANCE

Persons aided per 1,000 population age 65 and over:	
U.S. average	156
Louisiana	572
Mississippi	446
Alabama	406
Oklahoma	384
Puerto Rico	378
Georgia	356
Colorado	330
Texas	326
Virgin Islands	292
Arkansas	290
Missouri	256
South Carolina	223
California	215
New Mexico	211
Alaska	210
Kentucky	205
Nevada	201
Tennessee	200
Washington	200
Arizona	176
North Carolina	169
Massachusetts	157
Florida	151
Utah	147
Minnesota	142
Wyoming	139
North Dakota	135
Vermont	133
South Dakota	132
Idaho	131
Kansas	129
West Virginia	120
Maine	115
Montana	112
Iowa	111
Michigan	108
Ohio	106

[1] Based on population estimated by Bureau of Public Assistance as of July 1959.

TABLE III.—*Proportion of population receiving public assistance (recipient rates) in the United States, June 1959* [1]—Continued

Persons aided per 1,000 population age 65 and over—Continued	
Oregon	104
Nebraska	100
Wisconsin	96
Rhode Island	83
Illinois	83
New Hampshire	79
Indiana	70
Connecticut	67
Virginia	57
New York	55
Hawaii	50
Maryland	48
Pennsylvania	47
District of Columbia	47
Delaware	44
New Jersey	38

AID TO DEPENDENT CHILDREN

Children aided per 1,000 population under age 18:	
U.S. average	34
Puerto Rico	141
West Virginia	83
Mississippi	62
Virgin Islands	59
Louisiana	58
Oklahoma	58
New Mexico	55
Alabama	55
District of Columbia	52
Missouri	51
Florida	49
Kentucky	48
Tennessee	46
North Carolina	45
Rhode Island	44
Maine	43
Arizona	41
California	38
New York	37
Alaska	36
Pennsylvania	35
Arkansas	35
Hawaii	33
Colorado	32
Illinois	31
Washington	30

TABLE III.—*Proportion of population receiving public assistance (recipient rates) in the United States, June 1959* [1]—Continued

Children aided per 1,000 population under age 18—Continued	
South Dakota	30
South Carolina	29
Georgia	29
Delaware	28
Vermont	25
Oregon	25
Maryland	25
Nevada	24
Iowa	24
Utah	24
Michigan	23
Massachusetts	23
Connecticut	22
Kansas	22
Ohio	21
Texas	21
Minnesota	20
Montana	20
Idaho	20
Virginia	20
North Dakota	20
Indiana	18
Wisconsin	18
Wyoming	16
New Hampshire	16
Nebraska	15
New Jersey	14

AID TO THE BLIND

Persons aided per 100,000 population, age 18 and over:	
U.S. average	97
Mississippi	467
Pennsylvania	[4] 237
Arkansas	188
North Carolina	186
Missouri	[4] 184
Kentucky	167
Georgia	156
Virgin Islands	154
California	[4] 151
Puerto Rico	151
Louisiana	142
Tennessee	133
Oklahoma	128
South Carolina	127
Arizona	119
Texas	112

TABLE III.—*Proportion of population receiving public assistance (recipient rates) in the United States, June 1959* [1]—Continued

Persons aided per 100,000 population, age 18 and over—Continued

Nevada	107
Alaska	106
Nebraska	98
Delaware	89
Florida	85
New Mexico	85
Alabama	85
West Virginia	85
Montana	82
Iowa	79
Maine	77
Massachusetts	65
Indiana	65
New Hampshire	62
Ohio	61
Vermont	57
Minnesota	52
Virginia	52
Illinois	47
Kansas	46
Washington	43
Idaho	43
District of Columbia	41
Utah	41
Wisconsin	40
South Dakota	38
Michigan	36
New York	36
Wyoming	34
Colorado	29
Hawaii	27
North Dakota	24
Maryland	24
New Jersey	24
Oregon	24
Rhode Island	22
Connecticut	20

AID TO THE PERMANENTLY AND TOTALLY DISABLED

Persons aided per 1,000 population age 18–64:

U.S. average [2]	3.7
Puerto Rico	19.0
Georgia	9.5
Louisiana	9.5
Virgin Islands	9.2
Mississippi	8.0
Arkansas	8.0
Alabama	7.4
North Carolina	7.3
Oklahoma	7.2
West Virginia	6.9
Missouri	6.6
South Carolina	6.5
Colorado	6.0
Rhode Island	5.6
New Mexico	5.4
District of Columbia	5.4
Oregon	5.1
Kentucky	4.9
Utah	4.9
Vermont	4.2
Tennessee	4.1
Washington	4.1
New York	4.0
Montana	3.9
Kansas	3.8
Maine	3.7
Massachusetts	3.7
Hawaii	3.4
Maryland	3.2
Florida	3.2
Wyoming	3.2
Illinois	3.1
North Dakota	3.1
South Dakota	3.1
Idaho	2.9

[2] Average for 48 States; no program in Alaska, Arizona, Indiana, Iowa, and Nevada.

TABLE III.—*Proportion of population receiving public assistance (recipient rates) in the United States, June 1959* [1]—Continued

Persons aided per 1,000 population age 18–64—Continued

Virginia	2.9
Pennsylvania	2.5
Ohio	2.0
Nebraska	2.0
New Jersey	1.8
Connecticut	1.6
Delaware	1.3
New Hampshire	1.2
Minnesota	1.2
Texas	1.0
Michigan	1.0
California	.8
Wisconsin	.6

GENERAL ASSISTANCE

Persons aided per 1,000 population under age 65:

U.S. average [3]	6.6
Michigan	17.7
Indiana	14.8
Illinois	12.9
Ohio	12.8
Maine	9.7
Rhode Island	9.4
Delaware	8.0
New York	7.8
Washington	7.7
Pennsylvania	7.4
Connecticut	6.7
Minnesota	6.6
Virgin Islands	6.0
New Jersey	6.0
Wisconsin	5.7
Montana	5.6
New Hampshire	5.2
Arizona	4.9
California	4.8
Massachusetts	4.7
Wyoming	4.4
Hawaii	4.4
Utah	4.3
Louisiana	3.4
Iowa	3.0
Kansas	2.9
Missouri	2.9
West Virginia	2.5
Colorado	2.4
Alaska	2.3
Nebraska	2.2
North Dakota	2.1
District of Columbia	2.1
Kentucky	1.9
Tennessee	1.8
Maryland	1.7
Nevada	1.6
South Dakota	1.6
Puerto Rico	1.3
Georgia	1.2
North Carolina	1.2
New Mexico	1.1
South Carolina	.8
Mississippi	.7
Arkansas	.5
Alabama	(5)

[3] Average for 46 States; number aided not available for Florida, Idaho, Oklahoma, Oregon, Texas, Vermont, and Virginia.

[4] Includes recipients of payments made without Federal participation. Recipient rates excluding these recipients would be as follows: California, 148; Missouri, 158; Pennsylvania, 89.

[5] Less than 1 cent.

Mr. McCARTHY. Mr. President, the bill which I am introducing today would accomplish the following things:

First. It would establish a new title under the public assistance provisions of the Social Security Act. In effect, it means a fifth category, to include needy individuals and their families who are not qualified for assistance under the present titles for old age, aid to dependent children, the blind, and the disabled.

Second. Federal grants-in-aid would be made available to States with approved programs on a matching basis of 50 percent for high income States up to 70 percent for low income States. The Federal maximum would be $33 per month.

Third. Adoption of the program would be optional for the States. No State will be required to establish an approved program; rather, the objective is to encourage the States to improve their programs so that all needy persons will be eligible for some aid and so their family life can be strengthened.

Fourth. An approved State program is one which the Secretary of Health, Education, and Welfare certifies as meeting the usual conditions. The bill provides, in addition, that the Secretary "shall not approve any plan which imposes, as a condition of eligibility for assistance or welfare service under the plan any residence requirement which excludes any individual actually residing, permanently or temporarily, in the State."

Fifth. Those States which elect to participate in the general assistance program would also be eligible for slight increases in the maximums under present titles. For these States the matching formula for all categories would be from 50 to 70 percent instead of the existing 50 to 65 percent. The Federal maximum for old-age assistance, aid to the blind and to disabled persons would increase from $65 to $66 per month, while aid to dependent children would go from $30 to $33, with the Federal Government providing five-sixths of the first $18 instead of fourteen-seventeenths of the first $17. Thus, under the expanded program, the maximum Federal contribution would be $33 per month for aid to dependent children and general assistance cases, while it would be twice that amount, or $66 per month, for old-age assistance, for the blind and the disabled.

Sixth. A cost estimate supplied by the legislative reference specialists of the Library of Congress shows that if all the States elected to participate, the Federal cost of the first full year of operation would be $289 million for grants-in-aid to the States and $30 million for administration. Increases in the present titles of the public assistance program would amount to an additional $61 million.

I ask unanimous consent that a table showing the estimated annual increase in Federal funds available to each State be printed in the RECORD. It is necessary to point out that this estimate has been made on the basis of several assumptions. Since the conditions in the States are not parallel, it is assumed that some States might receive more, and others less, than the estimate. The States which now have comparatively adequate general assistance programs would receive approximately the estimated amounts.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public Assistance: 50 percent to 70 percent Federal participation in general assistance payments within average maximum of $33 per recipient,[1] and return to House-passed version of 1958 amendments for OAA, ADC, AB, and APTD[2] (based on expenditures for January 1960)—Annual increase in Federal funds for assistance for general assistance[3] and the special types of public assistance

States (in order of per capita income):	
Total 51 States	$346,100
16 high income	204,095
19 middle income	68,290
16 low income	73,715
Delaware	697
Connecticut	3,690
New York	32,449
California	24,916
District of Columbia	2,194
New Jersey	8,077
Nevada	200
Illinois	28,867
Massachusetts	5,890
Ohio	26,829
Michigan	26,808
Maryland	2,844
Washington	7,494
Pennsylvania	20,968
Rhode Island	1,912

[1] Federal percent applies to total average payment up to the maximum.

[2] Federal share under House-passed version of the 1958 amendments: Maximum average payments: $66 per recipient in OAA, AB, and APTD, $33 per recipient in ADC. First part of average payment: four-fifths of $30 in OAA, AB, and APTD; five-sixths of $18 in ADC. Second part of average payment: 50 percent to 70 percent in all four programs.

Federal percent for State equals 100 percent minus State percent. State percent is computed as follows:

State percent = State's per capita income[2] / U.S. average per capita income[2] × 50%

[3] Assumptions underlying estimates: It was assumed that there would be Federal matching at least on the State and local funds released from OAA, ADC, AB, and APTD as a result of the return to the House-passed version of the 1958 amendments. States were divided into two groups on the following basis: (1) States with comparatively adequate general assistance programs now, as determined by relatively high recipient rates and/or comparatively high expenditures per inhabitant. The released State and local funds plus present State and local expenditures for general assistance payments would be matched for the present number of general assistance recipients up to the maximum amount permissible within the $33 maximum average or, if the average payment in January 1960 was less than $33 for both aid to dependent children and general assistance, up to the amount that would bring the general assistance payment to the level of the average payment in aid to dependent children. The following States fell in this group: Arizona, California, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Massachusetts, Maine, Michigan, Minnesota, Montana, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Washington, Wisconsin, and Wyoming. (2) States that will expand the scope of their general assistance programs by adding recipients to the rolls and increasing payments to recipients. The released State and local funds plus present

Public Assistance: 50 percent to 70 percent Federal participation in general assistance payments within average maximum of $33 per recipient, and return to House-passed version of 1958 amendments for OAA, ADC, AB, and APTD (based on expenditures for January 1960)—Annual increase in Federal funds for assistance for general assistance and the special types of public assistance—Continued

States (in order of per capita income)—Con.	
Indiana	10,260
Wyoming	516
Oregon	3,032
Colorado	3,615
Missouri	8,354
Montana	2,128
Wisconsin	6,756
New Hampshire	857
Minnesota	8,274
Florida	5,745
Kansas	5,359
Texas	5,152
Arizona	1,603
Iowa	6,811
Nebraska	1,701
Maine	2,123
Utah	2,585
Virginia	2,635
Vermont	1,399
Idaho	2,346
Oklahoma	9,965
New Mexico	2,514
Louisiana	15,423
West Virginia	4,746
North Dakota	2,945
Georgia	7,345
South Dakota	2,408
Tennessee	4,019
Kentucky	5,498
North Carolina	5,336
Alabama	4,101
South Carolina	2,241
Arkansas	2,529
Mississippi	900
Alaska [4]	371
Hawaii [4]	673

expenditures for general assistance payments were matched in full except for Louisiana and Oklahoma where only the released funds were matched. These States include: Alabama, Alaska, Arkansas, Colorado, District of Columbia, Florida, Georgia, Iowa, Kansas, Kentucky, Maryland, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, and West Virginia.

[4] Not ranked on basis of average per capita income; estimate made on basis of 50 percent Federal matching.

Mr. McCARTHY. Mr. President, the extension of Federal grants-in-aid and the elimination of restrictive residence requirements for general assistance are recommendations made by the Advisory Council on Public Assistance. This Council was created in accordance with section 704 of Public Law 85-840, approved by the Congress in 1958. Appointment was made by the Secretary of Health, Education, and Welfare. The introduction to the Council's report states briefly their assumptions about the social security program. I ask unanimous consent that a section of the introduction and the names of the Advisory Council members appear in the RECORD.

There being no objection, the excerpt and list were ordered to be printed in the RECORD, as follows:

PUBLIC ASSISTANCE

INTRODUCTION

The Advisory Council on Public Assistance was appointed early in 1959. It held seven meetings from February 1959 through December 1959.

To our deliberations we brought a wide variety of backgrounds. Some of us had prior knowledge of the complexities of public assistance programs through years of professional work in them. Some, though we had wide experience in public affairs, were seriously studying public assistance for the first time. Also, the Council not only embodied a diversity of interests, as the statute provides, but also of philosophies.

Nevertheless, by the democratic process of talking things through, giving and taking, yielding and standing firm, we came to agree on certain basic premises. These, in effect, are the warp for the woof of our recommendations.

Briefly, the assumptions underlying all our carefully deliberated conclusions and recommendations are that—

Public assistance in the United States is deep rooted in our Judeo-Christian heritage with its principle that man is morally responsible for the welfare of his fellow men.

The maintenance of a healthy, dynamic economy is of paramount importance; the Nation prospers when all prosper; social security works best when there are job opportunities and full employment.

The social insurances are a bulwark against common risks to financial security.

No man, woman, or child should go hungry, be cold or ill, lack shelter or otherwise be in need without the opportunity to get effective help.

Voluntary efforts by families, churches, and privately supported social agencies meet great areas of need.

Public assistance is the resource when other means of preventing financial need have failed.

In our complex national economy, with its parts interdependent, and as industry relocates and individuals and families move about when real or wishful job opportunities open up far from home, breadwinners are subject not only to the financial risks of death, disability and old age, but also, to economic risks and disasters beyond personal control.

Historically and by function, Government has a responsibility for those whose income needs are not met by benefits from social or private insurance, nor by voluntary effort, nor who because of mental, physical, educational or vocational deficiencies or membership in a minority group, must work in such low-paid occupations or so sporadically that they cannot earn enough to provide even the barest necessities for themselves and their families.

Public assistance payments should be adequate for health and well-being.

The Federal-State partnership in public assistance is valid and desirable; it is necessary that the National Government participate financially in public assistance; the flexible administration of public assistance rests properly with the States and localities.

It has been both a great responsibility and a great privilege to serve on the Council appointed to review and advise on an immense program involving the lives of many people and the dollars of many taxpayers. About 4 out of every 100 men, women, or children in the United States today, nearly 7 million, depend on public assistance for all or part of their income. The public assistance programs are administered by 59 State agencies and over 3,000 local agencies. Their cost in 1958 totaled $3½ billion.

MEMBERSHIP OF THE ADVISORY COUNCIL

William L. Mitchell, Commissioner of Social Security, Department of Health, Education, and Welfare, Washington, D.C., Chairman.

Frank Bane, consultant to the Director, Office of Civil and Defense Mobilization, Washington, D.C.

Harry A. Bullis, former chairman of the board, General Mills, Inc., Minneapolis, Minn.

John E. Burton, vice president, Cornell University, Ithaca, N.Y.

Wilbur J. Cohen, professor of public welfare administration, University of Michigan, school of social work, Ann Arbor, Mich.

Miss Loula Dunn, director, America Public Welfare Association, Chicago, Ill.

Mrs. Katherine Pollak Ellickson, assistant director, department of social security, American Federation of Labor and Congress of Industrial Organizations, Washington, D.C.

Raymond W. Houston, commissioner, New York State Department of Social Welfare, Albany, N.Y.

Bernard Lander, associate professor of sociology, Hunter College, New York; chairman, Commission of Family and Youth Welfare of the Synagogue Council of America.

William R. MacDougall, general counsel and manager, County Supervisors Association of California, Sacramento, Calif.

William H. Robinson, chairman, Illinois Commission on Public Aid and Assistance, Chicago, Ill.

Charles J. Tobin, secretary, New York State Catholic Welfare Committee, Albany, N.Y.

Rev. William J. Villaume, executive director, department of social welfare, National Council of the Churches of Christ in the U.S.A., New York, N.Y.

Mr. McCARTHY. Mr. President, the bill likewise carries out general recommendations of professional groups and individuals. I ask unanimous consent that there be printed in the RECORD a letter from Mr. Joseph P. Anderson, executive director of the National Association of Social Workers, and the list he submitted of individuals representing various national organizations which favor legislation of this type. There is included also a list of professional people who have given their personal endorsement.

There being no objection, the letter and list were ordered to be printed in the RECORD, as follows:

NATIONAL SOCIAL WELFARE ASSEMBLY, INC.,
New York, N.Y., May 26, 1960.

Hon. EUGENE J. MCCARTHY,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCCARTHY: In my capacity as chairman of a clearinghouse group of organizations and individuals interested in 1960 social security amendments, recently organized under the auspices of the National Social Welfare Assembly, I write you to convey their urgent hope that you will sponsor legislation to extend Federal aid to public assistance for all needy persons without residence restrictions as recommended by the Special Committee on Unemployment Problems. I enclose herewith the statement supporting this position and list of signatory organizations and individuals.

You will note that this request has been endorsed by 17 organizations representing millions of individuals, including the AFL–CIO and the American Legion, and all major fields of social welfare activity. It has also been signed by outstanding leaders in social welfare including two former Social Security Commissioners, the former Director of the Bureau of Public Assistance and five persons who have served as president of the National Conference on Social Welfare. These signatories were drawn from organizations and individuals participating in the committee on social issues and policies and the ad hoc committee on residence laws of the National Social Welfare Assembly. Other organizations, including the National Council of the Churches of Christ in the U.S.A. and the American Public Welfare Association, have communicated their support for this position in separate communications. Had we sought wider social welfare support it would undoubtedly have been forthcoming as this gap in our national protection against want is a matter of top priority concern to all persons working in this field.

The investigations and report of the Special Committee on Unemployment Problems and the recommendations of the Advisory Council on Public Assistance appointed pursuant to the Social Security Amendments of 1958 make it amply clear that legislative action in this direction is long overdue.

Very truly yours,

JOSEPH P. ANDERSON.

STATEMENT ON PUBLIC ASSISTANCE FOR ALL NEEDY, ADDRESSED TO SENATOR EUGENE MCCARTHY, CHAIRMAN OF THE SPECIAL COMMITTEE ON UNEMPLOYMENT PROBLEMS

The undersigned have noted with satisfaction that the report of the Special Committee on Unemployment Problems includes a recommendation for extension of Federal grants-in-aid to the States for financial assistance to all needy persons and for the prohibition of residence requirements in such assistance. We hope that you as chairman of this committee will take the lead in sponsoring legislation to carry out this recommendation in connection with pending amendments to the Social Security Act.

ORGANIZATIONS

AFL–CIO Industrial Union Department, by John Brophy, special representative.

AFL–CIO Community Services Activities, by Julius F. Rothman, special representative.

American Foundation for the Blind, by Irvin P. Schloss, legislative analyst.

The American Legion, by Randel Shake, national child welfare director.

Association of American Indian Affairs, Inc., by LaVerne Madigan, executive director.

Child Welfare League of America, by Joseph H. Reid, executive director.

Council of Jewish Federations and Welfare Funds, by Philip Bernstein, executive director.

Family Service Association of America, by Clark W. Blackburn, general director.

International Social Service, American branch, by Mrs. Susan Pettis, associate director.

National Association of Social Workers, by Joseph P. Anderson, executive director.

National Committee on Employment of Youth, by Eli E. Cohen, executive secretary.

National Council of Jewish Women, by Mrs. Samuel Brown, chairman, national committee on public affairs.

National Federation of Settlements and Neighborhood Centers, by Miss Fern M. Colborn, secretary, social education and action.

Essex West Hudson CIO Council, by Alfred W. Wagner, director.

Pennsylvania Citizens Association, by A. David Bouterse, executive director.

State Charities Aid Association, by Lowell Iberg, deputy executive director.

Welfare Council of Metropolitan Chicago, by Robert H. MacRae, executive director.

INDIVIDUALS

Arthur J. Altmeyer, former Commissioner of the Social Security Administration.

Chester R. Brown, lieutenant colonel, the Salvation Army.

Dr. Eveline M. Burns, professor of social work, New York School of Social Work, and former president, National Conference on Social Welfare.

Miss Ethlyn Christensen, executive secretary, Public Affairs Committee of the National Board of the YWCA.

Miss Fern L. Chamberlain, secretary, South Dakota Social Welfare Conference.

Wilbur J. Cohen, professor of public welfare administration, School of Social Work of the University of Michigan.

Cynthia Anne Gibson, Field Institute of the New York School of Social Work.

Hyman Grossbard, associate professor of social work, New York School of Social Work, Columbia University.

Miss Jane W. Hoey, former Director, Bureau of Public Assistance, Social Security Administration.

Sidney Hollander, chairman, committee on social issues, Family Service Association of America.

Miss Katherine A. Kendall, associate director, Council on Social Work Education.

Leonard W. Mayo, executive director, Association for the Aid of Crippled Children.

John H. Moore, welfare consultant and farmer.

Mrs. Louise N. Mumm, social worker.

Charles I. Schottland, dean, the Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University, and former Commissioner of the Social Security Administration.

Mrs. Savilla Millis Simons, general director, National Travelers Aid Association.

Miss Marietta Stevenson, director, University of Illinois School of Social Work.

Bertram A. Weinert, community council director.

Miss Elizabeth Wickenden, social welfare consultant.

Ernest F. Witte, executive director, Council on Social Work Education.

Goesta Wollin, executive director, Big Brothers of America, Inc.

Mr. McCARTHY. I ask that there also be printed in the RECORD a letter from Rev. Edwin J. Villaume, executive director of the department of social welfare of the National Council of the Churches of Christ; and excerpts from "A Pronouncement of the Churches' Concern for Public Assistance," adopted in 1958 by the general board of the National Council of the Churches of Christ in the U.S.A.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF SOCIAL WELFARE,
NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U.S.A.,
New York, N.Y., May 26, 1960.

The Honorable EUGENE J. MCCARTHY,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCCARTHY: I have noted with satisfaction that the report of the Special Committee on Unemployment Problems includes a recommendation for extension of Federal grants-in-aid to the States for financial assistance to all needy persons and for the prohibition of residence requirements in such assistance. The general board of the National Council of Churches is on record in support of these principles. As executive director of the department of social welfare, may I convey the hope of the Council that you will sponsor appropriate legislation to achieve the desired ends.

I am pleased to enclose of copy of the pronouncement of the National Council of Churches entitled "The Churches' Concern for Public Assistance," which deplores the inequities imposed on thousands of needy persons by the low standards of general assistance programs and by residence requirements which are "archaic in present-day mobile America."

Legislation to make public assistance programs more adequate and equitable should be introduced in connection with the pending amendments to the Social Security Act.

Sincerely yours,

WILLIAM J. VILLAUME.

A PRONOUNCEMENT ON THE CHURCHES' CONCERN FOR PUBLIC ASSISTANCE—ADOPTED BY THE GENERAL BOARD OF THE NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U.S.A., JUNE 4, 1958

During any one month, more than 5 million men, women and children in the United States are dependent in whole or in part for their livelihood on the programs of public assistance: Old-age assistance, aid to dependent children, aid to the blind, aid to the disabled, and general assistance.[1] These programs represent an effort of a society informed by the Judeo-Christian tradition to insure that everyone in that society shall live at a standard compatible with decency and health without regard to race, color or religion.

The National Council of Churches affirms that the use of social insurance as exemplified by old-age, survivors and disability insurance is to be preferred to economic dependence upon the public assistance programs. However, it wishes to call to the attention of the churches the needs, spiritual and social, as well as economic, of the large numbers of people who must depend on public assistance. It believes the churches have grave responsibility for the well-being of the people who depend on these programs.

The primary objective of public assistance programs is to furnish monetary assistance to persons in accordance with the determined degree of their economic need. Through grants-in-aid the Federal Government contributes the major portion of the cost of these programs, except for general assistance programs which (where they exist) are maintained by State and local governments.

Recent years have seen many improvements in the administration of public assistance programs and the extent to which they meet the needs of people. However, serious deficiencies exist in many States and communities and demean the people who must depend on these programs for the physical necessities of life. Many people who are ineligible for the federally aided programs do not have their needs met in some States, even on a minimal level. In most States residence requirements, archaic in present-day mobile America, prevent or modify the way in which people can be assisted by all these programs. Some States continue to impose citizenship requirements which are often more damaging in their consequences. The National Council of Churches believes that such requirements which serve to penalize people in need should be eliminated.

The fact that general assistance programs usually have lower standards than federally aided programs serves to introduce inequities that cannot be defended by thoughtful Christians. These lower standards of help for those who cannot qualify for the federally aided programs by reason of age, residence, or degree or kind of physical impairment, compel tens of thousands of people to exist at a standard below that of decency and health.

For the people dependent on all of these programs there is universal need for an improvement in the standards of assistance so that health and decency may be maintained. The churches have a vital role to play in raising these standards, and churches need to work for the elimination of all inequitable and punitive policies. It is also a responsibility of the churches to be concerned with the way public assistance programs are administered, and to advocate programs which will make available to needy people the whole range of services which may help them become self-supporting and self-respecting persons. Considerations of race, religion and family mores should not be factors in determining eligibility for public assistance.

In order to meet these responsibilities certain activities are suggested. Local churches should become vitally concerned with the administration of public assistance programs in their communities and at other governmental levels. They should work to the end that all these programs have available for their administration personnel adequately trained to meet the variety of needs which the recipients of public assistance will have. The churches should recruit Christian young people to work in these public programs, as well as in church-related programs.

The churches should seek to make certain that standards of the general assistance programs are comparable to the federally aided programs. They should, to this end, support Federal aid for the general assistance programs. Further, all churches should seek improvement of all these programs so that assistance and services will be in such amount and so administered that recipients are offered the opportunity for decent healthful living and opportunity to develop to the maximum their capacities for service to God and fellow men.

[1] The form of public assistance provided by State and local governments for some needy persons ineligible for aid under the federally supported programs cited.

Mr. McCARTHY. Finally, Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3755) to amend the public assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs, and for other purposes, introduced by Mr. McCARTHY (for himself, and Senators MCNAMARA, CLARK, RANDOLPH, HARTKE, and MCGEE), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

That this Act may be cited as the "General Assistance Act of 1960".

SEC. 2 The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XVI—GRANTS TO STATES FOR GENERAL ASSISTANCE

"Appropriation

"SEC. 1601. For the purposes of enabling each State to furnish financial assistance, so far as is practicable under the conditions in such State, to needy individuals and families who are not qualified for assistance under title I, title IV, title X, and title XIV, and of encouraging each State, so far as practicable under such conditions, to help such individuals and families to maintain and strengthen family life, and to attain maximum self-support and personal independence, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year commencing July 1, 1960, a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") State plans for general assistance.

"State general assistance plans

"SEC. 1602. (a) A State plan for general assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State or political subdivisions thereof; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for general assistance is denied or is not acted upon with reasonable promptness; (5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis for employees, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports, (7) provide that the State agency shall, in determining need, take into consideration any other income or resources of an individual claiming general assistance; (8) provide that individuals who receive general assistance and who are determined to be employable by the State agency shall register as available for employment with the appropriate public employment office (established pursuant to the Act of June 6, 1933 (48 Stat. 113)) and that failure to accept suitable employment by any such individual shall be taken into account in determining his need for general assistance; (9) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of general assistance; (10) provide that all individuals wanting to make application for general assistance shall have opportunity to do so, and that general assistance shall be furnished with reasonable promptness to all eligible individuals; (11) provide, if the plan includes payments to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions; and (12) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of general assistance to help them maintain and strengthen family life and to attain maximum self-support and personal independence.

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for assistance or welfare service under the plan (1) any residence requirement which excludes any individual actually residing, permanently or temporarily, in the State, or (2) any citizenship requirement which excludes any citizen of the United States or any alien who has been admitted as a permanent resident into the United States and who has filed pursuant to the Immigration and Nationality Act a declaration of intention to become a citizen of the United States, or (3) any age requirement.

"Payment to States

"SEC. 1603. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has a plan approved under section 1602, for each calendar quarter, beginning with the calendar quarter commencing October 1, 1960—

"(1) an amount equal to the Federal percentage of the total amounts expended during such quarter as general assistance under

the State plan, not counting so much of any expenditure with respect to any month as exceeds the product of $33 multiplied by the total number of recipients of general assistance for such month, plus

"(2) an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of local agencies administering the State plan in the political subdivisions) to individuals and families in order to help such individuals and families to maintain and strengthen family life and to attain maximum self-support and personal independence.

"(b) The method of computing and paying such amounts shall be as follows:

"(1) The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of needy individuals in the State, and (C) such other investigation as the Secretary may find necessary.

"(2) The Secretary shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health, Education, and Welfare, (A) reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State under subsection (a) for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health, Education, and Welfare, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to general assistance furnished under the State plan; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior quarter.

"(3) The Secretary of the Treasury shall thereupon, through the fiscal service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

"Operation of State plans

"SEC. 1604. In the case of any State plan for general assistance which has been approved by the Secretary of Health, Education, and Welfare, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan finds—

"(1) that the plan has been so changed as to impose any age, residence, or citizenship requirement prohibited by section 1602(b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of the State agency, in a substantial number of cases; or

"(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 1602(a) to be included in the plan;

the Secretary shall notify such State agency that further payments will not be made to the State until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"Federal percentage

SEC. 1605. (a) The 'Federal percentage' for any State shall be 100 per centum less the State percentage; and the State percentage shall be that percentage which bears the same ratio to 50 per centum as the square of the per capita income of such State bears to the square of the per capita income of the fifty States of the United States and the District of Columbia; except that the Federal percentage shall in no case be less than 50 per centum or more than 70 per centum.

"(b) The Federal percentage for each State shall be promulgated by the Secretary between July 1, and August 31, of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall, for purposes of this section, be conclusive for each of the eight quarters in the period beginning July 1 next succeeding such promulgation. For the purposes of the preceding sentence the term 'United States' means the fifty States of the Union plus the District of Columbia.

"Definition

"SEC. 1606. For the purposes of this title—

"(a) The term 'general assistance' means money payments to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals or families who are not in receipt of assistance under titles I, IV, X, or XIV, but does not include—

"(1) any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental disease, or

"(2) any such payments to any individual who has been diagnosed as having pulmonary tuberculosis or psychosis and is a patient in a medical institution as a result thereof."

SEC. 3. (a) Section 3(a)(1)(B), section 1003(a)(1)(B), and section 1403(a)(1)(B) of the Social Security Act are amended by inserting immediately after "$65" in each such section the following: "(or, in the case of any State which has an approved plan under title XVI, $66)".

(b) Section 403(a) of such Act is amended by—

(1) inserting immediately after "fourteen-seventeenths" the following: "(or, in the case of any State which has an approved plan under title XVI, five-sixth)";

(2) inserting immediately after "$17" the following: "(or, in the case of any State which has an approved plan under title XVI, $18"; and

(3) inserting immediately after "$30" the following: "(or, in the case of any State which has an approved plan under title XVI, $33)".

(c) Section 1101(a)(8) of such Act is amended by inserting immediately after "65 per centum" the following: "(or, in the case of any State which has an approved plan under title XVI, 70 per centum)".

(d) The amendments made by the preceding subsections of this section shall be effective with respect to the calendar quarter commencing October 1, 1960, and all subsequent calendar quarters.

THE REPUBLICAN RECORD ON LABOR-MANAGEMENT

Mr. BUSH. Mr. President, the distinguished minority leader [Mr. DIRKSEN] recently reported on the record of this administration in the area of labor-management relations. This concise report is well worth the attention of all my colleagues, and I commend it to them. Mr. President, I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE REPUBLICAN RECORD ON LABOR-MANAGEMENT—1953–60—A SUMMARY

(By U.S. Senator EVERETT MCKINLEY DIRKSEN, of Illinois, Senate Republican floor leader)

MINIMUM WAGE

In 1955 the minimum wage under the Fair Labor Standards Act was raised from 75 cents to $1 and the Department of Labor has continuously recommended an extension of minimum wage protection to several million additional workers.

The average weekly wage in the Nation's manufacturing industry has jumped from $69.60 for a 40-hour week when Mr. Truman left office to $91.20 (as of May 1960) under the Republican administration.

UNEMPLOYMENT INSURANCE

The benefits of the unemployment insurance program were extended under the Republican administration to provide, for the first time, permanent coverage for 2.6 million ex-servicemen. Coverage was also extended to 2.4 million Federal employees and 1.2 million employees of small businesses.

Temporary additional benefits were initiated for those whose payments had been exhausted during periods of high unemployment; this action greatly relieved personal hardship and helped to stabilize the economy.

Legislation was sponsored and enacted under which advances were made to States for unemployment compensation purposes where State benefit funds were seriously depleted.

The States were actively encouraged to improve their unemployment compensation benefits. Since 1953 all States have made improvements in their unemployment compensation laws. All States, except one, increased the benefits under their plans; as a result, average weekly benefits have been increased by 40 percent and maximum duration of benefits has been extended more than 2 weeks.

The Railroad Unemployment Insurance Act was materially strengthened by increased benefits and extended periods of coverage.

LABOR-MANAGEMENT LEGISLATION

The Republican administration sponsored and supported the enactment of legislation to encourage and permit greater participation of union members in the affairs of their unions and to rid labor-management relations of racketeers and crooks.

COLLECTIVE BARGAINING

It has been the firm policy of the Republican administration to strengthen and promote the processes of free collective bargaining. The administration has conducted a continuing and vigorous campaign to encourage a better understanding between labor and management and to improve the entire tenor of labor-management relations.

In 1959 there were 27.5 percent fewer strikes involving 46.9 percent fewer workers than in 1952, demonstrating a remarkable improvement in general industrial peace in spite of the prolonged steel strike which, by itself, accounted for over three-fourths of the man-days idle which occurred during the year 1959.

In 1959 agreements were concluded without appreciable work stoppage in a great many major industries, including anthracite coal, electric and gas utilities, west coast longshore, paper, and petroleum refining.

OCCUPATIONAL SAFETY AND HEALTH

Enforcible safety standards, regulating equipment, processes, and work places, were established for longshoremen and ship repair workers, which will greatly reduce the hazards of their work.

Field offices in the major ports of the United States provide safety services to the maritime industries, State governments, Federal agencies, and labor unions.

Comparisons are being made of existing State safety regulations with American safety standards. These studies will assist States in improving their safety regulations and promote greater uniformity in such standards.

Four President's Conferences on Occupational Safety have been held in the past 7 years. The Conferences, under the chairmanship of the Secretary of Labor, have provided a forum for all groups, large and small, to discuss means of reducing work injuries.

MAXIMUM USE OF MANPOWER

The Department of Labor, under the Republican administration, has made comprehensive analyses and projections of the manpower resources of the Nation covering the present decade and, in advance, the decade 1960–70. It has informed leaders in industry, education, unions, and local and State governments, and mobilized public action and resources to meet the manpower requirements of the future.

YOUTH IN THE LABOR FORCE

The Department of Labor, through its Bureau of Labor Standards, has promulgated and administered a broad program to meet the developmental needs of the young worker to fill job opportunities. Services cover a broad range, including the distribution of effective advisory information to employers.

A program, designed to prevent school dropouts and to keep children in school until they have received the maximum educational training commensurate with their abilities, has been highly successful.

Cooperative arrangements were made with 9,271 high schools for testing and counseling about 300,000 seniors in 1959. A new edition of the Occupational Outlook Handbook, covering employment outlook for about 600 major occupations, was issued in November.

OLDER WORKERS

The Republican administration has vigorously promoted the employment of older workers by employers so that the crucial deficit in our human resources can be effectively met during the coming decade. Educational programs to dispel unfounded beliefs as to older worker employability and specialized counseling and job placement, in conjunction with the affiliated State employment services, have been emphasized and expanded.

WOMEN WORKERS

The Department of Labor has placed new emphasis upon the activities of the Women's Bureau and elevated its head to the position of an Assistant to the Secretary. Much progress has been made in securing legislation to promote the welfare of women workers. A number of new programs have been initiated to expand opportunities for women, in higher level jobs and new occupations.

FARM LABOR

The use of foreign labor has been rigidly scrutinized to insure that it would not adversely affect the employment of domestic farm workers. In addition, the Department of Labor, operating on its own initiative and with the cooperation of the President's Committee on Migratory Labor, has encouraged the development of State standards in the migratory farm labor area. Of the 28 State migratory farm labor committees which now exist, 22 have been established since the President's committee was created in August 1954. The emphasis of both the Federal and State committees has been in securing adequate housing, transportation, child labor, and crew leader legislation codes.

EQUAL JOB OPPORTUNITY

More progress has been made in the last 7½ years in eliminating discrimination in employment than ever before. Each year the nondiscrimination clause in Government contracts has taken effect in 7 million contractual transactions involving over $25 billion in goods and services. The President's Committee on Government Contracts (of which Vice President NIXON is Chairman and the Secretary of Labor, Vice Chairman), set up by President Eisenhower to make that clause effective, has been very successful in its task. An increasing number of skilled positions and promotions are becoming available for Negro workers.

EMPLOYMENT OF VETERANS

The Republican administration has maintained a vigilant campaign to insure the full observance of the reemployment rights of veterans. In the past 7 years the Department of Labor has handled 53,000 ex-servicemen's cases. Of these, only 1½ percent had to be referred to the Department of Justice; the remainder were settled to the satisfaction of all parties concerned through discussion and negotiation.

Since 1952 almost 10 million veterans were placed in jobs through the local offices of our Federal and State employment service; a great many of these veterans received individual employment counseling.

PENSION AND WELFARE FUNDS

As a first step, protection was provided beneficiaries of pension and welfare funds through a disclosure act requiring reporting of financial operation of funds to the Secretary of Labor. The Department has continuously pressed for legislation essential to make the act effective and enforceable.

COOPERATIVE EFFORTS WITH THE STATES

The Department of Labor has since 1953 placed particular stress upon improving the wages, hours, and working conditions of America's working men and women through action by State and local communities. Gratifying results have been achieved by close cooperation with State authorities; more progress in good labor legislation has been made by State legislatures since 1953 than in any comparable period since the basic labor laws were originally enacted.

Substantial headway has been made in minimum wage legislation. Thirty-five States now have minimum wage laws. Since January 1953, five States have enacted such laws for the first time. In five more States, which already had such legislation, new and improved laws were adopted. In addition, 10 States raised their statutory minimum limits.

Because of legislative action since the Republican administration took office in 1953 to date, workmen's compensation benefits of $40 or more are now being paid in 30 jurisdictions, with 16 of these providing benefits of $50 or more.

Major improvements in child-labor laws were made in about a dozen States from 1953 to date. In the same period, the number of States having Fair Employment Practices Acts, prohibiting discriminatory practices of employers, employment agencies, and unions, has increased from 8 to 16.

ENFORCEMENT OF FAIR LABOR STANDARDS LEGISLATION

Diligent efforts have been made to prevent unscrupulous employers from taking advantage of their employees and unfairly competing by violating the provisions of fair labor standards legislation.

In fiscal year 1959 a total of 1,360 enforcement actions took place under the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act.

This is the largest number of cases litigated in any years since these acts have been in effect and more than twice the number of cases which occurred in 1955.

In the last 7 fiscal years, more than $60 million has been paid to over 700,000 employees by employers who had violated the minimum wage and overtime provision of these laws.

This represents approximately 20 percent more back wages than was collected in a comparable period under the previous Democratic administration.

Since January 1953, almost 300 firms and individuals have been ruled ineligible as a result of violating the Davis-Bacon Act and related legislation. This is in striking contrast to a total of only four actions imposed in the entire 17-year history of this law from 1935 through 1952.

ADMINISTRATIVE IMPROVEMENTS

The established services of the Department of Labor have been evaluated and many new programs initiated to improve the skills and employment opportunities of the labor force to provide statistical and other essential data to labor, management, and the public; the Washington and field offices have been reorganized and the career service strengthened

INTERNATIONAL AFFAIRS

To achieve U.S. foreign policy objectives, the Government's international labor activities have been strengthened. Labor attachés have been increased from 35 to 62 and the United States has provided effective leadership in the International Labor Organization. These efforts have been reinforced by active cooperation with American trade unions.

NEED FOR SUPERCARRIER

Mr. SALTONSTALL. Mr. President, the Secretary of Defense, Thomas S. Gates, Jr., recently appeared with me on a radio-television interview. During this interview he again appealed for the inclusion of funds for a new attack aircraft carrier in this year's Department of Defense appropriation bill.

It is essential that we maintain a strong modern carrier force. Moving in international waters these mobile airfields under U.S. sovereignty can project U.S. power in the interest of peace anywhere in the world.

I ask unanimous consent to have printed in the RECORD an article from the New York Times of June 27, 1960, setting forth the views of Mr. Gates on this important part of our defense forces.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 27, 1960]

GATES CITES NEED OF SUPERCARRIER—HE TERMS SHIP NECESSARY DURING A LIMITED CONFLICT—FUNDS CUT BY HOUSE

WASHINGTON, June 26.—Secretary of Defense Thomas S. Gates Jr., renewed his appeal today for congressional approval of a supersized aircraft of the *Forrestal* class.

A House-Senate conference committee began deliberations yesterday to compose their differences over the carrier proposal and other items in the appropriations measure for the next fiscal year, beginning July 1.

The House cut the $293 million requested for the huge carrier from the administration proposal. The Senate restored the ship in its military money bill of $40,514,897,000. The bill exceeded the administration's total request by more than $1 billion.

While Secretary Gates has made it clear that he is opposed to the Senate's increase over the administration's total appropriations request, he emphasized that "we very much want the Congress to approve this carrier."

Mr. Gates gave his views in a radio-television interview with Senator LEVERETT SALTONSTALL, of Massachusetts, prepared for stations in the Senator's home State.

He reiterated the administration position that the money President Eisenhower had requested was adequate and that the Nation's defense was adequate.

"I believe that our readiness is intact and sensible, and we can quickly deploy forces and augment forces if we need to do so," Secretary Gates said.

GATES SEES CONFUSION

The Defense Secretary said that "people get confused" between the country's existing readiness and the stories about weapons that would not be ready for some time.

Discussing the carrier, which he said would be ready in "3 or 4 years" if approved now, Mr. Gates said:

"We very much want the Congress to approve this carrier. This is a mobile airbase, and in many parts of the world where it's difficult to overfly countries, and where existing airfields are inadequate, this is the best means for the United States to project its power, particularly in case of limited trouble."

The colloquy with the Republican Senator brought out that the Navy had 14 aircraft carriers, of which 7 were about 20 years old—"already overage or becoming overage."

It was noted that the size of the carrier should be dictated by the size of modern jet airplanes. Mr. Gates said that "much of the money that goes into the increased size of the aircraft carrier is paid for by the increased safety on airplanes, to say nothing of lives or people."

Supporters of the carrier are advancing the argument that the riots in Japan and the possible division of the country's policy on oversea bases reinforce the need for aircraft carriers.

However, the House Members in the congressional conference committee are understood to be adamantly opposed to the carrier. Last year, the House killed a similar request but agreed to funds for a powerplant for a future nuclear-powered carrier.

The administration argued, however, that a nuclear-powered carrier would be too expensive, and renewed its appeal for a conventionally powered one.

PUBLIC BUILDING PROJECTS AND SMALL WATERSHED PROJECTS APPROVED BY THE COMMITTEE ON PUBLIC WORKS

Mr. CHAVEZ. Mr. President, in order that the Members of the Senate and other interested parties may be advised of public building and small watershed projects approved by the Committee on Public Works, I ask unanimous consent to submit a list of such projects for inclusion in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Resolutions approving projects under the Public Buildings Act of 1959 (Public Law 249, 86th Cong.)

CONSTRUCTION PROJECTS

Date referred to committee	Location	Project	Estimated Federal cost	Date approved
May 17, 1960	Concord, N.H.	Post office and courthouse	$4,036,000	June 22, 1960
May 24, 1960	Washington, D.C.	U.S. Court of Claims	12,000,000	June 23, 1960

ALTERATION PROJECTS

June 15, 1960	New York, N.Y.	Federal office building	$1,078,000	June 22, 1960
Do	do	General post office and Morgan annex	240,000	Do.
Do	Pittsburgh, Pa.	Post office and courthouse	657,000	Do.

Small watershed projects (Public Law 566, 83d Cong., as amended)

Date referred to committee	Location	Estimated Federal cost	Date approved
May 24, 1960	Upper Black Bear Creek, Okla.	$2,627,739	June 22, 1960
Do	Reelfoot-Indian Creek, Tenn. and Ky.	1,773,365	Do.
Do	Olmitos and Garcias Creek, Tex.	995,664	Do.
June 7, 1960	Big Prairie and French Creeks, Ala.	2,402,972	Do.
Do	Misteguay Creek, Mich.	702,638	Do.
Do	Mill Run, Pa.	339,318	Do.

INCLUSION IN CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY OF LIMITATIONS ON THE TYPE AND EXTENT OF SERVICES

The Senate resumed the consideration of the bill (S. 1543) to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of services authorized and for other purposes.

Mr. HARTKE. Mr. President, in regard to the matter which is under consideration today, the supplemental airlines justly deserve the major share of the credit for developing low-fare air travel. Right now, with authority to fly 10 regular scheduled flights between any 2 cities in the United States, they find themselves in the position of bringing air travel to many people who could not normally afford to fly. Although the equipment used for these flights are DC–6's, DC–6B's, and Constellations, the same type aircraft still in use by the big airlines, the interiors are not expensively decorated, and the cabins are arranged for volume seating in keeping with CAB and FAA regulations. The advertising budgets and other promotional costs are trimmed to accommodate not much more than flight schedules. There is nothing elaborate or "plush" about supplemental air travel, but the safety record for this type air service has been remarkable since its origin, and the price has been kept within the reach of people who must look for economy.

Just last week the big airlines were granted a 2½ percent, plus $1 per seat, rate increase. I am not questioning the merits of this decision by the CAB, but I certainly cannot see any harm in keeping alive a slight suggestion of competition for the big lines. As I understand it, the supplemental airlines' civilian ticketed business represents less than 1 percent of all the civilian ticketed business in the air transportation industry.

Because of the flexibility of their certificated authority, these supplemental air carriers currently provide prompt air service to the Department of Defense for the movement of troops. The system used represents the only tried and proven readymade airlift, geared to respond to an emergency in a matter of hours. These airlines have not been subsidized by the Government. They had to match sound management, efficiency, and vision against the many obstacles of a pioneer business.

I think the Congress will do well for our national defense, the air transportation industry, and the system of free enterprise and competition, to encourage the supplemental airlines, especially when all that is required of Congress is simply to back up the CAB after its 8 years of hearings.

SUSPENSION OF EQUAL OPPORTUNITY REQUIREMENTS FOR NOMINEES FOR PRESIDENT AND VICE PRESIDENT

Mr. BIBLE. Mr. President, I ask unanimous consent to lay aside temporarily the unfinished business and proceed to the consideration of Calendar No. 1602, Senate Joint Resolution 207.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 207) to suspend for the 1960 campaign the equal opportunity requirements of section 315 of the Communications Act of 1934 for nominees for the office of President and Vice President.

The PRESIDING OFFICER. Is there objection to the present consideration of the Senate joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. PASTORE. Mr. President, the Senate Joint Resolution 207 is designed to suspend for the period of the 1960

presidential and vice-presidential campaigns, with respect to nominations for the offices of President and Vice President of the United States, a part of the so-called equal opportunity provision of section 315(a) of the Communications Act of 1934, as amended. That is the part which requires a licensee of a broadcast station who permits any legally qualified candidate for a public office to use a broadcast station to afford equal opportunities and all other candidates for that office in the use of broadcasting stations.

Mr. President, I have prepared an opening statement, which I ask unanimous consent to have inserted in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PASTORE

Senate Joint Resolution 207 is designed to suspend for the period of the 1960 presidential and vice presidential campaigns with respect to the nominees for the Offices of President and Vice President of the United States a part of the so-called equal opportunity provision of section 315(a) of the Communications Act of 1934, as amended. That is the part which requires a licensee of a broadcast station who permits any legally qualified candidate for a public office to use a broadcast station to afford equal opportunities to all other candidates for that office in the use of the broadcasting station.

This joint resolution would also provide that the Federal Communications Commission shall make a report to the Congress not later than March 1, 1961, with respect to the provisions of the joint resolution and any recommendations the Commission may have for amendments to the Communications Act of 1934 as the result of experience under the provisions of the legislation.

Ever since the 1952 presidential campaign the question of the costs and the need for making television time available for presidential and vice presidential candidates has been widely discussed. Various suggestions and bills over the years have been introduced to accomplish this purpose, but for one reason or another little has been done. It will be recalled that in the last session of this Congress, after the so-called Lar Daly case was ruled on by the Federal Communications Commission, this committee recommended and the Congress passed an amendment to section 315 of the Communications Act exempting from its reaches appearances of legally qualified candidates on bona fide news interviews, newscasts, news documentaries, and on-the-spot coverage of news events.

The purpose of the amendment was to permit the broadcast stations and the networks to be free in their coverage of the news, to show or permit to be heard the various candidates as in their honest news judgment might be necessary to give full, meaningful coverage to the significant events of the day. Not enough time has elapsed to permit full evaluation of this amendment.

As the 1960 presidential and vice presidential campaign approached, great concern had been expressed about the serious limitations that were involved in the full application of section 315 to such candidates. For years broadcasters have been criticized for failure to make adequate time available for the major political candidates particularly the vice presidential and presidential candidates. The broadcasters' response has been consistent and direct and to the effect that under section 315 if a station provides time for any presidential candidate it is compelled to make available equivalent time to every other candidate for the same office.

In 1952 for instance it was shown that there were 18 parties with presidential candidates who qualified in 1 or more States. As a result of this number of parties the Communications Act, specifically section 315, precluded giving free time to the Republican or Democratic presidential candidates either for discussions, debates, or any other reason, without providing the same amount of time for each of the presidential candidates of each of the other 16 parties. Accordingly, it was contended this requirement stifled the broadcasters' efforts to present or encourage the presentation of the major political candidates on radio and television during the campaign.

In order to meet this situation 22 Senators on May 10 cosponsored S. 3171 which would require stations and networks to give a specific amount of free time to the presidential candidates of the major parties.

Full and complete hearings were scheduled and held on May 16, 17, and 19, and during that period witnesses representing every phase of the problem were heard. The views of interested Government agencies were received and made part of the record. Numerous statements and communications were received from the general public and outstanding leaders in the business, broadcasting, and educational field reflecting their views on the proposed legislation.

Many questions were raised about the legality and constitutionality of S. 3171. Strong objections were also voiced to the compulsory feature of the bill. The statements and testimony offered to the committee revealed very little disagreement about the need, the importance, and the urgency of making time available over broadcast facilities for the major presidential and vice presidential candidates. The basic disagreement arose as to the method of accomplishing this objective. Should it be required by legislation as outlined in S. 3171, or should the broadcaster be permitted to do it on a voluntary basis?

The broadcast officials and many others who filed statements indicated that the bill was unnecessary since adequate free time would be offered voluntarily to the significant candidates during the so-called prime viewing hours if section 315 were amended to permit such action. It was suggested that the mere suspension of section 315 for the 1960 presidential campaign as this section applies to the presidential and vice presidential candidates would be adequate to permit the broadcaster the discretion to adopt the voluntary action the broadcasters recommended during the hearings. Of course, no one has any desire to force legislation in a field where it is not needed. It is only when the overwhelming public interest is involved, as in this case, that the idea of legislation is even entertained. In a free enterprise system, competition and minimum Government regulation should be the controlling forces.

The committee was impressed by the sincere desire of the broadcasters to meet their obligation of public service in the national political arena provided this obligation was voluntary and adopted Senate Joint Resolution 207 which would suspend section 315(a), the equal time provision, for the period of the 1960 presidential and vice presidential campaign with respect to the nominees for the Offices of President and Vice President of the United States. This suspension is temporary in nature and is to terminate the day of the 1960 presidential and vice presidential election and applies only to the legally qualified candidates after they have been duly nominated by their respective parties.

In suspending section 315(a) full discretion is being given to the broadcaster. He is being afforded full opportunity to demonstrate by fact and act what he has contended he was unable to do because of the restrictions contained in section 315. He is being offered this chance to show how he will meet his public service obligation during the 1960 presidential and vice presidential campaign and the committee will have an opportunity to evaluate his performance in the next Congress.

Fear has been expressed that the adoption of this legislation would tend to weaken the present requirements of fair treatment of public issues. I want to make it crystal clear that the committee in recommending this legislation does not diminish or affect in any way the FCC policy or existing law which holds that a licensee's statutory obligation to serve the public interest is to include the broad encompassing duty of providing a fair, cross section of opinion in the station's coverage of public affairs and matters of public interest.

Sufficient flexibility is being afforded the broadcaster to put to test his ingenuity. He cannot in the event of difficulties encountered later state that he has been restricted or limited by legislation. He has asked for this opportunity to develop a voluntary plan and it is being granted.

In adopting this course of action as recommended by this legislation the committee was aware of the opportunity it affords a broadcaster to favor a candidate. This is a risk that the committee feels is outweighed by the substantial benefits the public will receive through the full use of this dynamic medium in presidential campaigns on a voluntary basis. I have faith in the maturity of our networks and broadcasters and their recognition to discharge their obligation in the public interest.

I feel that the proposals contained in this legislation are in the public interest and worth a risk being taken because the suspension is of a temporary nature and voluntary action is always preferable to Government action and therefore urge the passage of Senate Joint Resolution 207.

Mr. PASTORE. Mr. President, I shall make a very brief explanation of what the joint resolution provides, and I shall be happy and willing to answer any questions that may be asked of me by my colleagues concerning the joint resolution.

As a preface to my remarks, I will state that some time ago a bill was introduced which provided for the granting of free time during the campaign period to the presidential and vice presidential nominees at certain specified times each week up to the time of the election. We held hearings on that bill before our committee, and it became quite evident that the time was rather premature for that type of mandatory legislation. Pursuant to a suggestion, I introduced the joint resolution, which provides that broadcasters shall be relieved of their obligations under the so-called equal-time provision of section 315 of the Communications Act.

The representatives of the three major networks appeared before our committee and testified that they would be willing to assume this responsibility on a voluntary basis. They had already conferred with their affiliates and had organized in their own minds a plan which they thought would be satisfactory. It was one which they could and would carry out, provided they were relieved of the responsibility and the obligations under the equal-time provisions of the law.

If the joint resolution is passed, all we shall have provided is that from now on until the next election in November

broadcasters may grant free time to the nominees of the major parties for the offices of President and Vice President without being obliged to grant the same opportunity to all other candidates of all other parties for those two particular offices.

The joint resolution is a rather indirect way of accomplishing this purpose, but it is the only way it can be done. In short, if the joint resolution is adopted, we shall free the broadcasters from the equal-time provisions of section 315 so that they can inaugurate their voluntary plan to grant free time to the nominees of the major parties for the offices of President and Vice President.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. YARBOROUGH. I wish to thank the distinguished Senator from Rhode Island for his concise explanation. I ask the Senator from Rhode Island if, under the terms of Senate Joint Resolution 207, a broadcasting station could not grant an hour a day, if it wished, to one nominee for the presidency and grant no time whatsoever during the entire campaign to any other nominee of any other party?

Mr. PASTORE. The Senator is correct. Under the joint resolution the provisions could be stretched and strained with that result. But the members of the committee have every conviction and every belief that, in view of the presentations made by representatives, who laid before the committee their plan, such would not be the case. Such a result would be possible, but the only way by which networks might inaugurate their voluntary plan is to free them by way of exception from the provision of section 315. What the Senator has said is absolutely correct. However, I think they would be in bad faith if they did so.

Mr. YARBOROUGH. Under the provisions of the Senate joint resolution any station could grant to a candidate for the Presidency or a candidate for the Vice Presidency any time it chose without any obligation to grant any time to an opponent of either of those candidates.

Mr. PASTORE. That is correct under the joint resolution, but the stations and networks would come under the rules of fair and impartial treatment by all with respect to their public service responsibility. I think they would be in a difficult position when their licenses came up for renewal if, to use a harsh word, they betrayed the committee and the Congress by doing what the Senator has suggested.

Mr. YARBOROUGH. But there is no obligation for them to grant an opponent time.

Mr. PASTORE. There is no legal obligation, and I have already stated that.

Mr. YARBOROUGH. They are free from all restraint.

Mr. PASTORE. That is correct.

Mr. YARBOROUGH. The proposed Senate joint resolution would make it legal for any broadcaster to grant free time to a candidate and no time to any of his opponents. What law would be violated if an amendment were agreed to which would provide that it is perfectly legal to grant any amount of time to a candidate and none to his opponent?

Mr. PASTORE. The networks would not violate any law; they would merely violate the confidence which the committee has reposed in them.

Mr. YARBOROUGH. Representatives of the networks appeared before the committee, but is it the position of the Senator from Rhode Island that representatives of each individual broadcasting station have appeared and made such a statement as he indicates? Is it not true that only the networks have appeared?

Mr. PASTORE. That is true.

Mr. YARBOROUGH. I do not recall that any appearances were made on behalf of individual stations.

Mr. PASTORE. Nevertheless, broadcasters are the affiliates of the networks. Programs originate over a network. Therefore the broadcasters work in close harmony and in close association with networks which originate the program. Naturally, the broadcasters have contracts with the networks, and any deviation from the terms of those contracts would be a breach of that relationship.

I shall admit again the possibility of the suggestion made by the Senator from Texas, but I say that, judging from the presentation that was made to our committee, it would be a pretty far-fetched action if they carried out the plan suggested by my distinguished colleague, the Senator from Texas.

Mr. YARBOROUGH. Mr. President, will the Senator yield for an additional question?

Mr. PASTORE. I yield.

Mr. YARBOROUGH. Did the FCC give any written report on the Senate joint resolution?

Mr. PASTORE. No. The representative of the FCC testified on the bill (S. 3171) itself.

Mr. YARBOROUGH. Did they testify on the pending joint resolution? Did the FCC give the committee the benefit of its views?

Mr. PASTORE. Not precisely; no.

Mr. YARBOROUGH. So the measure is before the Senate without the benefit of the opinion of the regulatory agency with respect to it?

Mr. PASTORE. That is correct. It has been reported unanimously by the committee, with the exception of the distinguished Senator from Texas, who is the only one on the committee who filed dissenting views. However, I believe it has been pretty well explained.

Mr. YARBOROUGH. Did the broadcasters give any formula or format or plan as to how they would carry out the provisions of the joint resolution?

Mr. PASTORE. No; one had suggested a sort of "Meet the Press" program during the hearings.

Mr. YARBOROUGH. They suggested that Congress abdicate its authority and leave it up to private broadcasters to decide how these presidential elections will be run this year. Is that correct?

Mr PASTORE. No, no; nothing could be further from the truth.

Mr. YARBOROUGH. I asked the distinguished Senator from Rhode Island to tell us what plan the broadcasters gave the committee as to how they would carry out this great program if Congress abdicated its rights and said to the broadcasters, "It is up to you."

Mr. PASTORE. There is no abdication involved at all. As a matter of fact, it is a question of take it or leave it. The broadcasters cannot work out a program until they talk with the nominees. I do not say that I even know whether Senator KENNEDY, if he is the nominee for President, or Vice President NIXON, if he is the nominee for President, will accept this free time. If they do not want to accept it, they cannot be made to accept it. All of these matters have to be worked out with the nominees and with the national committees. We could not compel the nominees to accept something they did not want to accept. This is a matter that can be worked out. It will have to be worked out. Nothing may come of it. On the other hand, a great deal of good could come from it.

We have been saying for a long time, in order to educate the people of this country on the issues of the day, so that they may see their candidates, and so that they may hear their candidates, and so they may see how a candidate will answer questions on the issues of the day, we should provide that these licensees should give some time for the benefit of the people of this country, that these candidates should be given some free time, so that the people can hear the issues of the campaign discussed. The networks thereupon said to us, "Do not compel us to do it, because we believe such a proposal is unconstitutional. However, in the public interest, we are willing to give free time. We are willing to give time to both candidates if they will accept the free time, provided you release us from the obligation of the equal opportunity section of the law." That is all that is involved here.

Mr. YARBOROUGH. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. YARBOROUGH. Under the Magnuson-Monroney bill, is it not true that the networks would be required to give this time, and if they did not have a joint debate cr discussion between two or more candidates, the bill required the networks to give time to each candidate, and did provide for a discussion of the issues and for debate, and that Senate Joint Resolution 207 is a substitute for that bill?

Mr. PASTORE. The Magnuson- Monroney bill required the giving of free time to the candidates, so that the candidate might appear on their own format for a certain period of time, for a certain number of weeks before the campaign. The networks came to us and said, "We want to cooperate with you, we do not want to be mandated."

Mr. YARBOROUGH. The candidates were to appear together.

Mr. PASTORE. Not necessarily. They may appear separately. The networks did not want to be compelled to give this free time. They said, "We will give it voluntarily, if you will release us from the equal-time provision of the law."

Mr. YARBOROUGH. Mr. President, I send to the desk an amendment to S. J. Res. 207, and ask that it be reported.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ENGLE. I should like to say that our committee did the best it could do with a difficult situation. The legislation that was proposed would be compulsory in character, requiring the networks to give equal time for certain periods of time to the candidates of the major parties. The networks vigorously resisted that legislation on several grounds. As the distinguished chairman of the subcommittee has stated, the networks came in and said, "We will do it voluntarily, if you will give us a chance to show what we can do on a voluntary basis."

We got into the situation where it was perfectly plain that we were not going to be able to get mandatory legislation passed, however meritorious it might be. So it is a matter of either taking the voluntary program, or leaving the law stand where it is. If we leave the law as it is, the networks are under compulsion of giving equal time. That means that they would not give any time to any candidate, because in giving time to the Republican candidate, for example, and to the Democratic candidate, the two major candidates, it would necessarily require them, under the law, to give time to all the splinter party candidates—the Prohibition Party, the Socialist Party, the Constitution Party, and all other parties that happen to be involved. Sometimes there are a great number of those parties in a presidential election year. There may be 15 or 20 such parties. The very nature of these network sytems would not permit them to be exposed to that kind of situation. Therefore they would be in the position of not making any time available on their networks to any candidates, to neither of the major candidates. They said, "We will do this voluntarily, and we will be willing to give time to each of the major candidates, provided that we are relieved of the obligation or requirement with respect to the splinter candidates." That is what the joint resolution would provide.

Admittedly, it is a test proposition. They say, "If you have any criticism about it you can change the rules." Of course from the standpoint of the coming election, that would do no good. In my opinion, on the other hand, they will not do anything to warrant criticism, and that they will be fair, and that they will try to establish a history of handling this situation on a fair basis, in order not to be exposed to legislation at a future date which would be adverse to them. Certainly at this late period in the session, and considering the difficulty of proposed legislation in this field, this is the only thing we can do which will make any kind of constructive contribution to the situation. That is the reason why I am supporting the bill.

Mr. PASTORE. I thank the Senator. Let me say this also. The joint resolution has the endorsement and approbation of the Republican and Democratic National Committee chairman. I walked up to the desk a moment ago and read very hurriedly the amendment which was being prepared by my distinguished friend from Texas [Mr. YARBOROUGH]. I hope he will not press it. It requires the candidates to appear in debate. It requires them. I am sure we would be forcing something on the candidates that they might not want to accept. It might not be satisfactory to them. Under the joint resolution they could debate if they wanted to. There is nothing to prohibit that. I would hope that we will not enact compulsory or restrictive legislation which would create a situation that would be in itself ineffective. It is only a trial program. As my distinguished friend from California has already mentioned, if it does not work out, it need not be continued. The joint resolution itself will expire after the coming election, and we will go back to the status quo.

In view of the presentations and representations made to the committee, I believe that at this moment, since we are in the twilight of our session, if we expect to do anything in connection with the object of granting the people of the country a better opportunity to hear and see the nominees for the office of President and Vice President, this is our last opportunity to do something affirmative about that.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SCHOEPPEL. I should like to say to the distinguished Senator from Rhode Island, who handled the bill in committee, and who has made some remarks on the measure on the floor, that I wish to associate myself with the position he has stated, and also with the position taken by the distinguished Senator from California [Mr. ENGLE]. As has been said, if we had attempted to provide compulsory legislation we would not have been able to have it approved in the form in which we are approaching the situation today.

I think it is a most practical approach, in the closing days of the session, when the broadcasters are willing, on the basis of an offer, to make this service available. It will give us an opportunity, as has been pointed out, to see how the system works, and to have a report made on it.

I associate myself with the distinguished Senators who have spoken in favor of the measure. I think it is a sensible approach to the subject. I hope the Senate will pass the resolution.

Mr. PASTORE. I thank the Senator from Kansas. I yield to the Senator from Pennsylvania.

Mr. SCOTT. In my opinion, the distinguished Senator from Rhode Island has made a very persuasive presentation as to why the resolution should be passed without amendment. I ask the Senator from Rhode Island if he does not agree that while we must preserve the freedom of debate, we ought also to preserve the freedom not to debate. It seems to me that the amendment offered by the Senator from Texas [Mr. YARBOROUGH] appears to say, in effect, "You will debate, or else." I think that is an impingement on the freedom of the candidates of the political parties.

Mr. PASTORE. I do not believe the one candidate to the other that they delanguage construed in exactly that fashion.

Mr. SCOTT. I agree that he does not mean that.

Mr. PASTORE. In the presidential campaign of 1952, an offer was made by one candidate to the other that they debate. The offer was refused on the other side.

I am afraid that such a proposal as that of the Senator from Texas will lead to complications and implications. One candidate may be a man who is profound in his knowledge of government, but does not seem to have the personality appeal, by comparison with the other candidate, and might refuse to appear jointly and debate with him.

Under the provisions of the joint resolution, they could still appear jointly, if they wished. The important point is that whatever time stations grant to one major candidate an equal amount of time will be granted to the other, according to the plan laid before us. There will be a free discussion of the issues according to a pattern or a format upon which both major candidates must agree.

Mr. SCOTT. I was about to say to the Senator that the American people are entitled to hear both candidates, and, under the public service reservation in the resolution, are entitled to hear, in the interest of fairness, the candidates of minor parties, in the fair exercise, by the broadcasting services, of discretion and judgment.

However, I do not believe the American people ought to be put in the position of being required by Congress to judge the next President of the United States on the basis of whether he is a good debater or not. There are many other qualifications which should be considered.

Nothing ought to appear in the resolution which will in any way attempt to hamstring the freedom of the candidates for President and Vice President to make use of the communications media of the country as may seem best to them.

Mr. PASTORE. There may be a thousand different reasons to impel a candidate to accept or not to accept an invitation to debate. I think that question should be left to the candidates of the parties to resolve.

The language of the resolution as it is drawn meets with the approval of the Republican national chairman and of the Democratic national chairman. If we seek to change it at this time, I fear that any deviation might lead to ineffectiveness. The worst thing that can happen is that nothing will happen. The plans will be unacceptable to both nominees, and we will be where we would be if exactly nothing had been done.

The chances are that time will be given on an equal basis to both major nominees, and certainly the American people will be the beneficiaries of that gratuity.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. MONRONEY. I compliment the distinguished Senator from Rhode Island for bringing the joint resolution to the floor, and for his usual patience and consideration in bringing the matter of Presidential-candidate-broadcasting time on a public service basis before the Senate.

Ever since 1952, when I first served on the Committee on Interstate and Foreign Commerce, this subject has been before us in election years. Each time several of us wanted to move in one direction, the networks wanted to move in another, and the campaign managers of the candidates for President wanted to go in another. The net result was that we had no legislation and television did not make the contribution which it could have made toward bringing the genuine issues, the real positions of the presidential candidates, to the people concerned.

As one of those who drafted the original bill, of which the joint resolution is an outgrowth, I believe we now have provided the very best possible arrangements for trying to reach the result desired. I agree wholeheartedly. Although the resolution is not as simple and direct an approach as the bill I had the privilege to sponsor originally, it is the best measure we can possibly secure in the short time remaining. If we tried to change it very much, we would find that one or the other of the major parties would react unfavorably. We must remember that this proposal has not passed the House, and will not pass the House until after the Senate has acted.

If we are not in wholehearted agreement on this approach to allotting free time, then we will never achieve the result that we all wish in this campaign. Let us afford the great media of communication a trial before the people of the country in this coming campaign.

I am grateful, indeed, for the patience which the distinguished Senator from Rhode Island has exhibited and for the way in which he has struggled to have the resolution reported. I hope it will pass the Senate by a unanimous vote.

Mr. PASTORE. I thank the Senator from Oklahoma for his forceful contribution.

Mr. JAVITS. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. JAVITS. I support the Senator from Rhode Island and join with the Senator from Oklahoma in expressing my support of the resolution.

I call attention to one point, namely, the public stake in the matter. There is no more searching medium than television for finding out the point of view of a man and for plumbing his character. This the public has learned. I think that by making it simple for the networks to provide this kind of exposure, the public interest will be best served.

Moreover, it will take some of the terrible strain of financing campaigns off the backs of the candidates. One of our worries is that so much money is required for the purpose of campaigning. We do not know what, by implication, a candidate may be undertaking when he must raise large sums of money.

I give the Senator from Rhode Island this factual backing for the joint resolution. I had a debate at the Academy of Television Arts and Sciences with Mr. Paul Butler and Senator THRUSTON MORTON, the respective chairmen of the national committees; former Gov. Averell Harriman, of New York, a representative of CBS; and the moderator, on this very subject. The conclusion, after an exhaustive, 2-hour session, which was viewed by the leaders in the television industry, who asked many questions, was that there is no single technique which is greater and more effective to acquaint the public with what they were buying in a presidential candidate than to have an exposure on television.

Mr. PASTORE. I thank the Senator from New York for his factual example. I now yield to the Senator from Texas.

Mr. YARBOROUGH. The distinguished Senator from Pennsylvania [Mr. SCOTT] in his colloquy with the distinguished Senator from Rhode Island—and I regret that the Senator from Pennsylvania has left the Chamber—suggested that under my amendment it was "either debate, or else." Of course, there is nothing in the amendment which would prevent either party from buying all the time it wanted, or any type of program it wanted. It was the view in the hearings before the committee that even if free time were a requirement under the original Magnuson-Monroney bill, or under Senate Joint Resolution 207, neither party intended to reduce its expenditures for presidential campaigning by way of radio and television.

Mr. PASTORE. Why does the Senator want to force the nominees to debate, if they do not wish to debate?

Mr. YARBOROUGH. I really do not desire to force them to debate.

Mr. PASTORE. That is what would be required under the Senator's amendment.

Mr. YARBOROUGH. I will change the language of the amendment. My purpose is to make certain that equal and fair time is granted to the major candidates.

As the Senator has said, if S.J. Res. 207 becomes law, any station could grant, free, all the time it wanted to grant to any candidate for the Presidency, without any requirement that it grant a single minute to the candidate of any other party.

Of course, the Lar Daly case makes it mandatory, in the granting of time, where it is required under existing law, that the media grant equal time to all candidates.

Mr. PASTORE. In view of the report, the hearings on the resolution, and the historical background leading up to it, would not the Senator admit that even if anyone did what the Senator suggested he could do legally, he would be in bad faith with respect to that action?

Mr. YARBOROUGH. My question is, What law would be violated?

Mr. PASTORE. I understand that. I concede that legally he could do it. However, after all, we have developed a record. If there were any deviation, it could happen in only one campaign. We have limited the resolution to the coming campaign. It is true that there could happen what the Senator has suggested; but if a broadcaster dared do that, he would be in breach of this whole record and would be in bad faith before the subcommittee. Such a breach would be subject to the reprisals of more stringent laws before the next election.

I do not have the fear that possesses the Senator from Texas. I do not fear that what he has suggested would necessarily happen just because it could legally be done. I believe it would be in violation of our understanding. It would be in violation of the entire background and history we have developed here. It would be a violation of this report, and would be a violation of the understanding with the affiliates, because the network program could never be received unless the network sent it through its affiliates.

The PRESIDING OFFICER (Mr. RANDOLPH in the chair). Let the Chair suggest that the amendment of the Senator from Texas has not officially been placed before the Senate or read by the clerk. The Chair suggests that the Senator from Texas permit his amendment to be stated at this time.

Mr. PASTORE. Mr. President, I have been hoping that the distinguished Senator from Texas would withdraw the amendment before it was reported.

Mr. YARBOROUGH. Mr. President, if the reporting of the amendment is withheld, I may withdraw the amendment, if by means of our colloquy we can clear up the point I have in mind.

Mr. PASTORE. I ask for the indulgence of the Chair in that respect.

The PRESIDING OFFICER. Certainly.

Mr. YARBOROUGH. I should like to point out to the distinguished chairman of the Communications Subcommittee that in the committee I offered several amendments, one of which was adopted. It appears in the joint resolution on page 2, in lines 2 to 4, as follows:

> Nothing in the foregoing shall be construed as relieving broadcasters from the obligation imposed upon them under this Act to operate in the public interest.

Mr. PASTORE. I think that is a very illuminating and very clarifying statement of the philosophy of the law, and we were very happy to accept the amendment.

Mr. YARBOROUGH. My question is this: Does the distinguished Senator from Connecticut——

Mr. PASTORE. From Rhode Island, if you please. [Laughter.]

Mr. YARBOROUGH. Does the distinguished Senator from Rhode Island—and I apologize to the distinguished Senator, and also to the State of Rhode Island——

Mr. PASTORE. Mr. President, Connecticut is a very delightful State. As far as the Senator from Rhode Island is concerned, he loves it; but he loves it most as he drives through Connecticut, on his way home.

Mr. YARBOROUGH. As the distinguished senior Senator from Rhode Island has said, how nice to be the small-

est State in the Union, but how horrible it would be to be the next to the smallest State in the Union.

So my question to the distinguished Senator from Rhode Island is whether this language, which we adopted in the committee—in other words, my amendment—is broad enough to require the broadcasters to be fair to each of the candidates.

Mr. PASTORE. Yes.

Mr. YARBOROUGH. But without requiring them to provide equal time—but to be fair.

In that connection, I point out that among the minor parties in 1956, for example, was the Socialist Party, which in the general election received only approximately 2,000 votes, whereas at one time the Socialist Party, under the leadership of Eugene Debs, received more than 1 million votes in a national election. I do not think anyone would expect a network or a station to give a candidate of a party which has had a long history, but which received only 2,000 votes in the entire Nation, in a general election, as much time as the amount of time given to the candidate of a party which polled more than 20 million votes, and which has in office a number of Governors, Senators, Members of the House of Representatives, and other public officials.

Mr. PASTORE. But under the equal-opportunity law, that is precisely what they are required to do.

Mr. YARBOROUGH. And I favor relaxation of that law.

My inquiry about the joint resolution is whether it is broad enough to require equal or fair treatment as between the candidates of the two major parties.

Mr. PASTORE. I think the amendment suggested in the committee by the distinguished Senator from Texas will take care of that equitably and adequately.

Mr. YARBOROUGH. And do I correctly understand that the chairman of the subcommittee construes it to mean that they will have to do that in a fair manner, so that the American people will have a real opportunity to hear the candidates of the parties which are responsible in size and have a real opportunity to win the election?

Mr. PASTORE. That is correct.

Mr. GORE. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I yield.

Mr. GORE. I have listened with interest to the debate. The distinguished junior Senator from Rhode Island has several times referred to the understandings which have been had or reached. I wonder whether there is an understanding between the committee, the networks, and representatives of the affiliated stations, upon which the able Senator thinks he and the Senate can justifiably rely, in order to assure fair assignment of time.

Mr. PASTORE. I think there is definitely a moral understanding. It was made clear before our committee. It is true that, even under this joint resolution, they could legally grant all their time to only one candidate, if we relax the equal opportunity section of the law, as we are doing by means of this joint resolution. But I do not think they will do that. I have every confidence that they will not do it. By means of this joint resolution we open the door slightly; but if they dare trespass on equity, we will close the door so quickly, next January, that it will be no laughing matter.

Mr. GORE. Mr. President, will the Senator from Rhode Island yield further to me?

Mr. PASTORE. I yield.

Mr. GORE. In asking the question, I do not indulge in any presumption that the networks would be unfair. But I wish to elicit from the Senator an answer to the inquiry as to whether the understanding to which he has referred involves an understanding between the committee and the networks. Will the Senator please state just what the understandings are?

Mr. PASTORE. The understanding is set forth in the record of the hearings. They appeared before our committee, and said, "There is only one way we can do this—by you granting us an exception to the equal-time section of the law—section 315—and granting the exception to apply only to the major candidates for the office of President or Vice President in the next campaign. If you do that, then we, ourselves, on a voluntary basis, will inaugurate a program which will give proper time to these major nominees."

We feel it can be worked out; and I understand they have already discussed it with the chairman of the Republican National Committee and with the chairman of the Democratic National Committee. We do not know what the program will be, because we do not know who the candidates will be.

As a matter of fact, the other distinguished Senator from Texas [Mr. JOHNSON] might be invited to engage in debate on the program, because certainly he is one of the best debaters in the country. On the other had, he might not wish to participate in the debate. In fact, his prospective opponent might be fearful of opposing him in debate on the program—knowing him to be so skillful a debater. In that event, there would be no program at all.

Mr. CARLSON. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I yield.

Mr. CARLSON. I wish to commend the distinguished Senator from Rhode Island for working out what could be a very difficult problem in the coming campaign. Even though the pending measure will suspend certain sections of the existing law, in view of the colloquy which has been had this afternoon and in view of the understandings worked out in the committee, I believe the plan will work out very satisfactorily.

Mr. YARBOROUGH. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. PASTORE. I yield.

Mr. YARBOROUGH. Is it the understanding of the distinguished Senator from Rhode Island that the agreement with the networks binds the affiliates of the networks?

Mr. PASTORE. I would say it is my understanding it does, because they represented to us that they had already discussed it with their affiliates, and that the affiliates are in accord.

Mr. YARBOROUGH. And their affiliates are bound by the agreement, are they?

Mr. PASTORE. Yes, that is my understanding because, actually, the only control we have is over the affiliates, not over the networks.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that my amendment may be withdrawn.

The PRESIDING OFFICER. The amendment will be withdrawn.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 207) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That that part of section 315(a) of the Communications Act of 1934, as amended, which requires any licensee of a broadcast station who permits any person who is a legally qualified candidate for any public office to use a broadcasting station to afford equal opportunities to all other such candidates for that office in the use of such broadcasting station, is suspended for the period of the 1960 presidential and vice presidential campaigns with respect to nominees for the Offices of President and Vice President of the United States. Nothing in the foregoing shall be construed as relieving broadcasters from the obligation imposed upon them under this Act to operate in the public interest.

(2) The Federal Communications Commission shall make a report to the Congress, not later than March 1, 1961, with respect to the effect of the provisions of this joint resolution and any recommendations the Commission may have for amendments to the Communications Act of 1934 as a result of experience under the provisions of this joint resolution.

INCLUSION IN CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY OF LIMITATIONS ON THE TYPE AND EXTENT OF SERVICES

Mr. BIBLE. Mr. President, I ask that the Senate resume the consideration of Calendar No. 1630, Senate bill 1543, the supplemental air carrier certificate bill.

There being no objection, the Senate resumed the consideration of the bill (S. 1543) to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes.

TEMPORARY AUTHORIZATION OF CERTAIN AIR CARRIERS TO ENGAGE IN SUPPLEMENTAL AIR TRANSPORTATION

Mr. MONRONEY. Mr. President, I ask unanimous consent that in lieu of

Senate bill 1543, the Senate now proceed to the consideration of House bill 7593, the companion House bill.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7593) to provide that the Civil Aeronautics Board may temporarily authorize certain air carriers to engage in supplemental air transportation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill (H.R. 7593) to provide that the Civil Aeronautics Board may temporarily authorize certain air carriers to engage in supplemental air transportation, and for other purposes, which was read twice by its title.

Mr. MONRONEY. Mr. President, because of an agreement we have with the ranking Republican member of the Aviation Subcommittee, I suggest the absence of a quorum, so that he may be notified.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, in behalf of myself and my distinguished Republican colleague on the Aviation Subcommittee [Mr. COTTON], I send to the desk an amendment which we offer as a compromise amendment to the House bill.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike "twelve" and insert "twenty-four".

Page 2, line 6, it is proposed to strike "twelve" and insert "twenty-four".

Page 2, line 7, it is proposed after the word "any" to insert "person or".

Page 2, line 10, it is proposed to strike "and" and insert "or".

Mr. MONRONEY. Mr. President, the bill, which would provide for the continued operation of the so-called supplemental or irregular air carriers, is before the Senate because of a recent decision of the U.S. Court of Appeals for the District of Columbia Circuit, on April 7, 1960, which denied these carriers the right to continue as small businesses or as commercial aviation operators. The court in overruling what has been the practice of the Civil Aeronautics Board since January 1959, which was to license supplemental air carriers to operate on the basis of limited certificates of convenience and necessity, overruled the practice upon the ground that the Board, under the existing law, does not have the right to issue a limited certificate; in other words, a certification which would provide for more limited and flexible service than the regularly scheduled trunk, feeder, or international air service.

The court repeatedly stated that if the Congress desired to provide for this class of service, Congress should say so, and the court raised no question as to our ability to legislate in this field to provide for so-called supplemental air-transportation service.

The Senate subcommittee conducted adequate hearings and considered all sides in regard to the question. We reported a bill providing the CAB with authority for the permanent certification of these supplemental carriers, and for a continuation of individually ticketed flights at a level of 10 round trips per month between any 2 points for 1 year, with the statement that we could look into the matter of such noncharter operation further.

However, the House has already acted on its bill, H.R. 7593. Because of the lateness of the session and the feeling that there was not ample opportunity to properly explore the matter, the House passed the bill authorizing a continuation of these various types of supplemental service for only 12 months, as a stopgap measure, agreeing to look into the matter next year.

We have conferred with all members of the Aviation Subcommittee. The distinguished Senator from New Hampshire [Mr. COTTON] has been most helpful.

We propose to accept the House bill, which is now before the Senate, with the amendment we have offered, which, among other things, increases the time to 24 months. We seek to do this for the simple reason that the financing of these small air operators would be nearly impossible if we limited the authorization to a 12-month period of time. The testimony before the committee was that these operators have bought many DC–6's, "Connies," and other high-performance-type aircraft, which the regularly scheduled airlines sold to them. The financing is on a 3-year basis. It would be almost fatal to the continued operation of these operators if their lease on life were only for 12 months.

We are also aware of the fact that there is a danger with respect to the changing of the administration. With a new President and a new President's program, Congress may not be able to complete action upon hearings regarding permanent certification during the next session, although we hope and desire to do so. We do not wish to have a death sentence and a date of execution hinged on the adjournment of Congress next year. That is the reason why we wish to provide for 24 months.

I have discussed the matter with Members of the House of Representatives. I feel sure that members of the House committee will look with some favor upon the 24 months' extension, rather than the permanent extension, as proposed in the Senate bill.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. SMATHERS. First, I wish to congratulate the able Senator from Oklahoma and the other members of the Aviation Subcommittee for reporting the bill favorably.

The only question which I would like to ask of the able Senator is this: He offered an amendment before I was able to get to the Senate Chamber, and I was wondering what the amendment offered by the able Senator from New Hampshire and himself, which was agreed to, is intended to accomplish.

Mr. MONRONEY. The distinguished Senator from Florida helped us materially in the preparation of the original Senate bill, and therefore he knows that we undertook to give permanent extension of life to the subject carriers. However, we provided that for a period of 1 year those carriers should be limited to 10 round trips a month on individually ticketed operations as distinguished from charter operations.

Before we could act, we ran into conflict with the House. The House passed a bill which provided a temporary extension for 12 months only. The House is strongly opposed to permanent certification at this late hour. For that reason, rather than run the risk at this late date of losing the bill in conference, we decided that we would join with our distinguished colleague, the Senator from New Hampshire [Mr. COTTON], who had submitted an amendment which provided for a 12-month extension similar to what the House proposed, and who would agree to a 24-month extension, which will give us time to have proper hearings and consider the whole subject of permanent certification at that subsequent time.

Mr. SMATHERS. Does the able Senator state then that if this particular proposal should become law on a 24-month basis, that would not only authorize the supplemental carriers to continue to do that which they are now doing with respect to all charter flights, but, in addition, would permit them still to make as many as 10 round trips a month?

Mr. MONRONEY. The Senator is exactly right. It does not change one iota the law under which they were operating before the circuit court of appeals handed down the "death sentence" decision. They gave such carriers a "death sentence," not because they disapproved of the service, but because the act, which did not envision supplemental or less than regular route-type airline service, did not clearly give the CAB the right to authorize less than regular route-type certificated operation.

Therefore, the bill, as amended will give the CAB power to extend the life of the supplemental carriers exactly as is for 24 months. Before the expiration of that time we hope to be able to report a bill for permanent certification and to define, if necessary, the number of round trips of a noncharter character, or leave to the Board the power to make the decision.

Mr. SMATHERS. Mr. President, will the Senator yield to allow me to make a brief statement?

Mr. MONRONEY. I am happy to yield.

Mr. SMATHERS. Again I wish to congratulate the Senator from Okla-

homa [Mr. MONRONEY], the Senator from New Hampshire [Mr. COTTON], and the Senator from California [Mr. ENGLE], who have worked so arduously on the bill. I think everyone who has taken time to study the problem recognizes that the supplemental air carriers perform a very useful service for the Nation. I think the testimony shows that during the crisis in Berlin and the crisis in Korea, it was the supplemental air carriers which actually provided the large bulk of manpower which went into those areas, as well as the supplies. Those carriers supply the Nation with reservoirs of transportation which we otherwise would not have. They also employ many persons throughout the United States. They supply employment not only to service people, but to pilots. They make available a type of service which we could not get in any other way. I am delighted to see the bill, which I think the Senate will favorably pass upon, become law, because it will strengthen the transportation industry in the United States.

Mr. MONRONEY. I thank the Senator for his contribution, and I agree completely with him.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished friend, the Senator from California [Mr. ENGLE], who is a member of the Aviation Subcommittee.

Mr. ENGLE. I regret that we must necessarily take the step that we are taking, but I am sure that it is the only practical thing to do, because I am convinced that we would not be able to get the proposed legislation reported by our committee, which I regard as excellent legislation, passed by the House at this time.

I have in mind, of course, that next year, since the extension provided is for only 24 months, we will have to reexamine this problem and go into it on a more permanent basis.

I should like to inquire with reference to some of the suplemental airlines. Is my understanding correct that if we adopt the House version, with the suggested change to extend the period from 12 months to 24 months, we shall include all carriers which are presently certificated on the same basis on which they now are able to operate?

Mr. MONRONEY. The Senator is absolutely correct. The bill as it is proposed to be amended, would empower the Board to validate the certificated and operating carriers, the supplemental carriers, as they are operating today.

Second: It provides that the Board may validate the certificated but nonoperating carriers, those who may not have fully used their certificates since they received them.

Those are the two certificated classes.

It may be the Board may wish to take a quick look at the charters of those companies to see that they are in the same hands or in equally as responsible hands as they were when the lines were certificated, but I see no reason for any long or expensive or dilatory hearings in the case of either of those two classes of certificated carriers.

Furthermore, the bill would empower the Board to confer interim authorizations upon carriers which have operated under Board Order No. E–9744, issued in 1955. This is the order under which some carriers, having appealed to the courts, are now operating, and also the classes of carriers which have applications that are pending before the Civil Aeronautics Board but upon which decision has not yet been reached. Some of these two groups have been operating throughout this period, operating generally because the Board has been restrained from stopping them from operating until their cases had been determined in the court. It leaves those carriers exactly in the position in which they have been for the past several years, and it also provides the same treatment for those lines that have applications pending and are operating through the Board's permission under those categories.

Mr. ENGLE. There are some carriers, such as those mentioned in the final category on page 6 of the Senate report, whose authority was denied under Order No. E–13436, and who have appealed and are operating under stays by the court. The bill would not affect those but would leave them in status quo. Is that correct?

Mr. MONRONEY. In my opinion, it affects them in no way. The court has jurisdiction. The matter is before the court, and until the court decides, they will continue to operate, provided the proposed legislation is passed. But obviously, if the entire authority to operate any type of supplemental service is not reinstated, as is provided by the bill, then obviously none of those operators, no matter what their condition, would be able to fly after the final mandate from the court of appeals comes down pursuant to the decision of April 7, 1960.

Mr. ENGLE. Which serves to emphasize the importance and the urgency of getting this bill through even in the modified form in which we are willing to accept it, does it not?

Mr. MONRONEY. The Senator is correct.

Mr. ENGLE. I should like to ask one further question. I observe that the Board is empowered to validate for a period of not to exceed 24 months under the amendment. I take it the provision is not a direction, that it is not made mandatory, because if it were made mandatory the Board could simply comply with the law and review the certificates; is that correct?

Mr. MONRONEY. That is correct. The Board has that right. Even if we attempted through legislation to do otherwise, which we have not done in respect to any class of carrier, the Board has that right. It is empowered to issue certificates for trunklines, for feeder lines, and other certificated carriers. If we try to direct them, first we might be violating the Administrative Procedure Act in that Congress would be directing them to do something without the Board making its decision. All categories are cast in the same group. There is no distinction between one class of supplemental carrier and another, because the Board is empowered to validate for a period of not to exceed 24 months from the enactment of this act, without further proceedings, any temporary certificate of public convenience and necessity or to issue a type of similar operating authority.

Mr. ENGLE. But the Board did come before the committee and urge the passage of the proposed legislation or legislation of this type, and it is believed, and it is our intention, as I understand, that the Board will act on this power unless the position of these companies has substantially changed in some particular since the issuance of the certificate.

Mr. MONRONEY. The Senator is absolutely correct. I believe this is the proper form. I believe the Board will respect the attitude and the history of the act as enunciated in the debate.

Mr. ENGLE. I thank the distinguished Senator from Oklahoma and compliment him, as I have in the past, on doing an excellent and industrious and constructive job for the aviation industry.

Mr. MONRONEY. I thank the Senator. I am deeply grateful for his remarks.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. CANNON. First I wish to say that I associate myself with the remarks of the Senator from California and compliment the Senator from Oklahoma for the very fine job he has done as chairman of the subcommittee. I should also like to associate myself with the remarks of the Senator from Florida in the tribute he paid to the supplemental air carriers. I believe they are a very important part and cog in our air transportation industry today, as I said on the floor on May 18, I believe.

The Senator from Oklahoma has answered, in his colloquy, a number of questions which I had in mind. I note on page 6 of the Senate bill that one of the provisions reads, in part, as follows:

> Any carrier whose operating authority in interstate air transportation under Board order E–9744 is continuing solely by virtue of a judicial stay is hereby authorized to continue to operate, subject to all conditions and limitations contained in such order or imposed by the court, until the court shall lift such stay or until the final disposition of the judicial review proceeding, whichever shall first occur.

In the House bill I find no similar language. I am not a member of the subcommittee, and I should like to have the record made clear, if I may, on this point. I should like to ask the distinguished chairman of the subcommittee if it is the intention that the House bill as now proposed shall cover those particular carriers to whom he has referred and to any situation referred to on page 6 of the bill, which I have just read.

Mr. MONRONEY. Yes. The difference between the Senate bill, the language of which we have stricken and have substituted therefor the language of the House bill, is that we were contemplating authority for permanent certification. Once a carrier is in court, if

the Senate bill were passed, and once a favorable judicial decision was issued, those carriers would be eligible to be permanently certificated, and the authority to operate under the CAB proposal would then be of an indefinite and permanent duration.

Since there is now only a temporary extension—in the House bill for 12 months—we did not see any need for the kind of language we had put in the Senate bill, to provide for interim operating authority. We are not requiring any carrier to file applications for certificates because the law does not now permit them to do so.

So far as I am able to understand, and as our committee counsel understands, the House bill will continue in operation all of those carriers who are now proceeding to fly while their cases are in court, that being exactly what the language of the Senate bill provided.

Mr. CANNON. In other words, the committee report makes it clear that the litigants who were on appeal under these orders were not being deprived of any rights to exercise their operating authority which they now enjoy under a judicial decree, and it would be the intention that that same situation would exist under the House bill as it now exists.

Mr. MONRONEY. The Senator is absolutely correct. This is the understanding of all of the staff and all of the members of the subcommittee in approaching the subject. It is not necessary, because this authority rests in the court, and the basic authority of the CAB to grant this type of operating authority exists. Of course, the court will respect the pendency of the case and will allow the line to operate until final determination is had in court.

Mr. CANNON. Is it the intention of the House bill that mandatory words be not used, for the reason that some of the carriers' certificates that were heretofore granted would expire during this 2-year interim period?

Mr. MONRONEY. The Senator is correct. The word used is "empowered," and would validate for periods not to exceed 24 months. So, if a carrier has only 12 months to run, the CAB has the authority and is empowered to issue a certificate for the remaining 12 months, which usually has been done on a pro forma basis.

Mr. CANNON. It is not the intention in the legislation that these carriers who have already been certificated—the four categories the Senator has mentioned—would again have to appear before the Board before they would receive their certificate under the 2-year period?

Mr. MONRONEY. No; they would not have to be recertificated. However, if their certificate expired within 12 months, they would have to make a pro forma appearance to be extended for the remaining 12 months.

Mr. CANNON. The issuance of the certificate now would be almost automatic to all the four categories the Senator has mentioned, namely, those that were certificated and operating carriers, those that were certificated but not operating carriers, those that have operated under the Board Order E–9744, on appeal, and those that have applications pending. Is that correct?

Mr. MONRONEY. It is automatic as to the first two, because those are the ones that have been certificated. The others include those that are operating while their cases are on appeal. It is a matter, as to those, for the court. They can be terminated if the court denies the appeal. If an application is not filed, that is up to the court. They are empowered to make that apply or not apply until they have proven their case and their right and entitlement as an operating carrier.

Mr. CANNON. The Board would use normal procedure, as heretofore, in these cases with reference to applications that are now pending.

Mr. MONRONEY. That is right. As I understand, and as counsel of the committee understands, it merely continues the existing situation for a period of 2 years.

Mr. CANNON. I thank the Senator.

Mr. COTTON. On that point, I can understand the apprehension of the Senator from Nevada. I should like to call his attention to the language in the House bill, which it is suggested the Senate pass, which provides:

> The Board is empowered to validate for a period not to exceed twelve months from the date of the enactment of this act, for air transportation issued pursuant to Board Order E13436 of January 28, 1959, or Board Order E14196 of July 8, 1959, which certificate has not been revoked or otherwise terminated by the Board on or before the date of the enactment of this Act.

I would suggest to the Senator that that is a clear invitation on the part of Congress for the Board to go ahead to continue the certificates which have already been issued, and if necessary to renew them, unless something has occurred, by way of revocation, or something that would prevent it.

I know what the Senator is interested in, and I would say that it is clearly the legislative history of this act, if it is enacted into law in the form we suggest, that, in the absence of some misconduct, the Board has clear authority to renew the existing certificates as they expire for the next 24 months, without formality and without the requirement of going through proceedings ab initio. I wonder whether the Senator from Oklahoma, who knows more about this subject than I, would agree with me.

Mr. MONRONEY. I do agree with the Senator. We agreed that the enforcement provisions were necessary. The Senator from Nevada being a flyer, knows how necessary this is.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CANNON. I wish again to commend the Senator for the outstanding work that his committee has done. I thank the Senator from New Hampshire also for clearing up this one point. I believe the legislative history has been made abundantly clear. The only thought remaining would be with respect to the 24-month period. I hope that it will be possible for these people to secure financing, because I am satisfied that when the Senator's committee meets and holds hearings on this matter, they will certainly determine it to be in the public interest that the authority for extending the life of the supplemental air carriers be extended for longer than the 2-year period that is provided for in the act.

Mr. MONRONEY. The Senator is absolutely correct. We realize that if legislation is not passed at this session, planes in the supplemental carrier fleet will become practically idle, employees will become unemployed. Therefore, we are not asking to go beyond 24 months, because we hope to take up the question of the certification of nonscheduled carriers next year.

Mr. COTTON. Mr. President, as a minority member of the Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce, serving under the chairmanship of the distinguished Senator from Oklahoma [Mr. MONRONEY] I say most emphatically that he has, in the conduct of this matter, as he does in the conduct of any matter which comes under his jurisdiction, pursued a careful, conscientious, considerate, and fair method of dealing with this problem. It is a privilege and a pleasure to work with the Senator from Oklahoma on any subcommittee or any committee.

We have had some slight disagreement, some slight difference in our approach to this problem. I think every member of the subcommittee and the full committee has been in accord with the feeling that the nonscheduled, supplemental air carriers should be protected from being put out of business by a court order. That would have resulted in harshness, unfairness, and a catastrophe for them. It was the feeling of the Senator from Oklahoma and of many other members of the committee—the majority of the committee, in fact—that permanent legislation establishing the rights and privileges of supplemental air carriers could and should be enacted at this time. It was the feeling of some of the rest of us that that was not a matter with which we could deal in the closing weeks and hours of this session.

I favored, in committee, an amendment which would have conformed with the House bill. It would merely have extended the present arrangements and privileges of the supplemental carriers for 12 months, so as to give Congress and the committees time to consider the situation carefully and thoroughly. Such a bill has passed the House of Representatives. The Senator from Oklahoma, in a practical, fair, and cooperative approach, has agreed that, for the time being, we should proceed on this basis. He offered—and I was happy to join with him in offering—certain changes, not entirely minor, to the House bill, the most important of which permits a 24-month period of extension, instead of 12 months. This, I believe, is a good feature. I join with the Senator from Oklahoma in offering the amendment because it provides ample time and breathing space for the committees of Congress to consider legislation which

will be beneficial to the supplemental carriers and will at the same time protect the rights of the public and the rights of the regular certificated carriers.

I must say at this time, in view of the very pertinent remarks of the distinguished Senator from Florida and other Senators, that I hope Congress will proceed slowly and cautiously in dealing with the supplemental air transportation industry. I come from a section of the Nation which is literally starved for airline transportation; a section where the profitability of airline operations is marginal at best. The carriers which provide our service on a nonsubsidized basis—and I think this is true of many other sparsely populated sections of the country—must rely on more profitable long hauls in other areas in order to secure the revenue they require to sustain the service in northern New England. In the more profitable long-haul markets, they face the direct competition of the nonscheduled airlines, which are frequently disposed to skim the cream off the top of these lucrative routes.

The supplemental air carriers have never evidenced the slightest interest—and this is perfectly natural—in providing any kind of airline service to sparsely settled areas of the Nation, such as northern New England. They are interested only in the high-density routes. They can capture a significant share of the revenues in these areas, leaving the regular airlines still saddled with a heavy burden of essential airline services in less profitable areas of the country.

The only hope which we in New Hampshire have for improved airline services comes from the regularly certificated carriers, which can afford to operate in our area because they have heavily traveled routes elsewhere in the country. Unbridled competition from the nonscheduled airlines in those areas could spell the end of service for us. That is why I believe Congress must take a long, hard look at the entire supplemental airline industry before enacting any permanent legislation. That is why I say Congress must make a study, before any type of permanent legislation is passed, to make certain that the more sparsely populated sections of the country do not suffer because of operating rights given to the nonscheduled companies. We must be sure their status is thoroughly and completely defined, with guidelines laid down, and congressional intent made crystal clear, in order to protect the essential service of the entire country.

That does not mean, however, that I and other Members of the Senate—and there are several—who are naturally deeply concerned for our respective areas, have any desire to penalize the nonscheduled air carriers or to put them out of business.

We want to see this measure enacted, so as to save those carriers from the so-called death sentence decision of the court. That is why we stand ready to cooperate, in the next session of the Congress, to try to work out a thorough, careful means of dealing with the situation.

I think, in view of the hour in the session, this bill, which conforms with the House bill, with a slight variation, the most important one being the 24-month period of grace, instead of the 12-month period, is not only the very best we can pass under the circumstances, but is the safest, most cautious, most accurate way to legislate on this subject.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I feel that proceeding as we are today, in substituting the House bill with certain amendments added, comes nearer to meeting the present needs until we can examine more closely into the situation. Perhaps we should consider the question with the Department of Justice and others who are interested in it. I am one who is interested in the subject. However, I feel that some safeguards should be placed in the bill, before we finally pass it, so that it will not do violence to the regularly scheduled certificated carriers, who are under an obligation to meet schedules and to maintain uninterrupted service.

I had some question about the extension of time. However, after listening to the arguments made today by the Senator from Oklahoma [Mr. MONRONEY], and by the Senator from California [Mr. ENGLE], and now by the Senator from New Hampshire [Mr. COTTON], I am led to believe provision for the 2-year period of time, because of the problem of finance and the opportunity to be afforded Congress when it reconvenes to look into the matter, is perhaps a move on the safe side. I had thought that the 12-month period, or perhaps an 18-month period, would be one which would adequately take care of the situation.

I commend the Senator from Oklahoma and the Senator from New Hampshire for getting together on this proposal. I believe it is very important that there be legislation on this subject at this session, because a difficulty has arisen owing to the court decision.

Mr. COTTON. I thank the Senator from Kansas. I now yield to the distinguished Senator from Alaska.

Mr. BARTLETT. Mr. President, I desire to backstop the distinguished Senator from New Hampshire in what he has said about the desirability of the proposed legislation. It will give everyone concerned an opportunity to study the question further and to come forward with an objective conclusion after sufficient time has been granted to make possible the kind of study which is indicated in such an important matter. I think the proposed legislation is desirable of enactment, and its enactment is needed in the public interest.

I wish to pay tribute to the Senator from Oklahoma [Mr. MONRONEY] for the diligence and perseverance he has demonstrated in holding the hearings on the bill and in bringing it to the floor.

Mr. COTTON. Mr. President, in conclusion, I merely say, and particularly with reference to what the able Senator from Kansas has said, that in view of the fact that all parties interested—both the regularly certificated airlines and the so-called nonscheduled airlines and elements of the public—need to be heard thoroughly, and in view of the fact that the committees of both branches of the Congress must consider and must act, and in view of the fact—one which frequently we refrain from commenting on, but which we cannot deny—that sometimes Congress moves with some deliberation, the 24-month period is, in my opinion, a decided improvement, in order to give us full opportunity to act.

To the Members of the Senate who are called upon to vote on this measure, I wish to say, in closing, that it has received long and careful attention by the subcommittee and by the full committee; and I believe that any proposal which has passed the House and has, as a temporary expedient, at least, the full approval of the distinguished Senator from Oklahoma [Mr. MONRONEY], who is so faithful and so able in considering these matters, and has the agreement of his entire committee, is a measure for which every Senator can vote today with complete confidence.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The question is on agreeing to the Monroney-Cotton amendment.

Mr. SPARKMAN. Mr. President, I shall take only a minute.

I merely wish to say how pleased I am that this bill is before the Senate and is about to be passed.

I wish to commend the distinguished Senator from Oklahoma and his subcommittee and his full committee for the prompt and efficient manner in which they have handled this measure, following the court decision to which reference has been made.

I appeared before the subcommittee, and made a very brief statement in behalf of this measure.

My interest in this matter has been a long one. In 1951, the Senate Committee on Small Business made a study of the irregular carriers. There was then no plan for direct certification; they were simply allowed to fly, under very strict conditions, by sufferance of the CAB.

There came a time when it appeared that they were going to be knocked out completely. Our committee made a report in which it recommended that there be worked out a plan whereby the nonscheduled carriers or the irregular carriers might be used; and we pointed out the fact that these carriers had a great potential which ought to be utilized.

I was pleased when, at the conclusion of that long-drawn-out study, the CAB adopted the plan of certification. I was disappointed when the court upset that, by ruling that the CAB had no such authority.

I am delighted that the Senate is about to take action, and that the House has already acted.

Certainly I hope that during the 24 months that this may be expected to be continued, the matter may be looked into further. I am confident that some plan on a permanent basis will be worked out, and that the plan will make it possible for the country to enjoy the potential which these carriers have for us. It is a matter of concern to our economy and our national security.

I wish to commend particularly the Senator from Oklahoma [Mr. MONRONEY] for the leadership he has shown in handling this proposed legislation.

Mr. MONRONEY. I thank my distinguished friend, the chairman of the Select Committee on Small Business, who for many years has given voice to the rights and needs of small business to participate in the great and advancing aviation industry.

I thank my colleagues on the other side of the aisle, the Senator from New Hampshire [Mr. COTTON] and the Senator from Kansas [Mr. SCHOEPPEL], for their great help. Whenever we have a problem on air safety or air progress, there is no dividing line between the Republican Members and the Democratic Members. That is the result of our very enthusiastic subcommittee which is devoted to the advancement of aviation.

Mr. President, if there is no further request for time in connection with the consideration of this measure, I ask that the question be put on agreeing to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the Monroney-Cotton amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

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

The bill (H.R. 7593) was read the third time and passed.

Mr. MONRONEY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. COTTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, Senate bill 1543, the companion bill of H.R. 7593, will be indefinitely postponed.

MEDICAL CARE FOR THE AGED—AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. JAVITS. Mr. President, I send to the desk, for printing, under the rule, an amendment to the so-called social security bill relating to medical care for the aged.

On that subject, I make the following statement:

The Senate may recall that, together with a group of other Senators on this side of the aisle, I introduced a bill in the nature of a substitute for, or an alternative to, the so-called Forand plan for medical care to the aged. This amendment in the nature of a substitute makes certain revisions of a major character in the bill we previously introduced; and in my opinion this amendment will have a major impact, as a very plausible substitute, upon the bill from the other body, which now is awaiting action by us.

The principal changes which this amendment calls for include, first, the establishment of a minimum schedule of health insurance benefits to be provided subscribers by the States; second, authorization of the States to determine the schedule of fees to be paid by a subscriber for health insurance, as determined by the subscriber's income, or—and this is very important—to require no fees at all; and, third, permission for a State to act as its own insurance carrier, as an alternative to having insurance coverage provided by nonprofit service agencies and private or nonprofit insurance carriers under contract with a State agency.

The important features of this amendment are that it guarantees a minimum of benefits, as follows:

First, physician's services for 12 home or office visits; second, 21 days of hospital or equivalent nursing home care; the first $100 of costs for ambulatory diagnostic laboratory and X-ray services; and, fourth, 24 visiting-nurses home service visits, as prescribed by a physician—and all of these each year.

The important point is that this schedule of benefits can be provided free of charge to those over 65 years of age; and it would cost all participating governmental entities $840 million a year. This means that the cost of participation to the Federal Government would be approximately $400 million a year. Hence, our plan is entirely feasible from the point of view of Federal expenditures, as a voluntary plan outside the social security system, and yet with no charge to any subscriber if a State chooses to make none. But if a State chooses to provide greater benefits, our amendment in the nature of a substitute will allow a joint Federal-State subscriber plan, too.

It seems to us that this measure gives such flexibility in dealing with the entire problem of medical care for the aged as to make completely unnecessary the social security approach, particularly in view of the manifest disadvantages—which have been referred to many times—of that approach, which would put on an open-end basis the entire program of medical care for the aged, with no end in sight, and would make it comparable to the scheme in the United Kingdom, which is not adaptable to our country.

I refer particularly to the fact, as noted yesterday in the newspapers, that 127 million Americans are now covered by some kind of health insurance. To junk all of that, rather than build upon it, would seem to me to be most ill advised.

Of course, we shall have an opportunity to debate all these matters.

I ask unanimous consent that I may have printed at this point a news release on this subject:

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

Senator JAVITS today introduced in the Senate an amendment to H.R. 12580 containing amended language of S. 3350, the Health Insurance for the Aged Act, which was introduced originally by the Senator and cosponsored by several Republican colleagues on April 7, 1960. An analysis of the bill, as amended, is attached.

Commenting on the legislation, Senator JAVITS said: "The principal changes in the bill as it now reads include (1) the establishment of a minimum schedule of health insurance benefits to be provided subscribers by the States, (2) authorizing the States to determine the schedule of fees to be paid by a subscriber for health insurance as determined by the subscriber's income or to require no fees at all; and (3) permitting a State to act as its own insurance carrier as an alternative to having insurance coverage provided by nonprofit service agencies, and private or nonprofit insurance carriers under contract with a State agency.

"The minimum benefits specified per year include (a) physician's services for 12 home or office visits; (b) 21 days of hospital or equivalent nursing home care; (c) first $100 of costs for ambulatory, diagnostic, laboratory, and X-ray services, and (d) 24 visiting nurses home service visits as prescribed by a physician.

"The important thing here is that this schedule of benefits can be afforded to those over 65 free at a gross cost of $840 million annually to be shared by the Federal and State Governments. This means that Federal Government participation would be about $400 million and the plan is therefore entirely feasible from the point of view of Federal expenditure as a voluntary plan outside the social security system and yet with no charge to any subscriber if a State does not choose to make one. Yet if a State chooses to give greater benefits, the bill allows a joint Federal-State subscriber plan, too."

Mr. JAVITS. I have always said, and repeat at this time, in the final analysis it is the fact that so many Democrats and a large group of Republicans now see eye to eye on the proposition that there should be legislation on this subject in this session which is perhaps the greatest gain of all in this type of discussion.

So I send this amendment in the nature of a substitute to the desk for printing under the rule, so it may be available to the committee.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the desk.

Mr. JAVITS. Mr. President, I ask unanimous consent that there may be incorporated as a part of my remarks an analysis of the health insurance bill sponsored by myself and my colleagues as amended today by the document which I have sent to the desk.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF HEALTH INSURANCE BILL S. 3350 AS AMENDED JUNE 27, 1960

Title: Health Insurance for the Aged Act.

Sponsors: Senators JAVITS, COOPER, SCOTT, AIKEN, FONG, KEATING, and PROUTY.

Organization: Administered by State plans subject to approval of Department of Health, Education, and Welfare.

Purpose: To assist States in establishing State plans for health insurance for individuals 65 years of age and over on a voluntary basis and at subscription rates they can afford to pay.

State plan must designate a single State agency; provide for financial participation by the State; permit every individual over 65 (and spouse) to subscribe; provide both service and indemnity types of benefits; provide physician's care up to one-third premium cost; provide coverage during temporary absence from State.

Benefits: Minimum benefits specified per year include (a) physician's services for 12 home or office visits; (b) 21 days of hospital or equivalent nursing home care; (c) first $100 of costs for ambulatory diagnostic laboratory and X-ray services; and (d) 24 visiting nurses home service visits as prescribed by a physician, maximum benefits computed as generally practicable under income divisions at stepped up rate schedule starting at 50 cents monthly for subscribers with income of $500 to $1,000 per annum to maximum subscription charge of income of $3,600 per annum—no subscription charge for income under $500 annum. Maximum benefits can receive Federal matching grants up to $165 per annum per capita; minimum benefits above can be obtained at $70 per person per annum.

Subscription rate: Schedule to be determined by the State, proportioned to subscriber's income by negotiation with Secretary of HEW.

Coverage: Insurance will be placed with either nonprofit service agencies (i.e., Blue Cross, Blue Sheild, etc.), private or nonprofit insurance carriers under contract with State agency, or with an insurance carrier set up by the State for such purpose.

Federal participation: Federal percentage worked out on a ratio of State per capita income to national per capita income. Similar to Hill-Burton Hospital Act formula, which has been so successful. In no case shall Federal percentage exceed 75 percent or be less than 33⅓ percent.

Cost of program: Minimum benefits program would cost at maximum a total of $840 million with Federal share about $400 million estimated on participation of million over 65 without any payment by any benefited individual; maximum benefits would cost $1.5 billion and with estimated payments by subscribers of $400 million would make Federal Government share of $480 million.

Controls: Act provides for cutting off Federal funds if State fails to comply; for appeals to U.S. Court of Appeals for reports to Congress.

FOURTH CONSECUTIVE PUBLIC HEALTH SERVICE SPECIAL CITATION TO UNITED STATES LINES

Mr. JAVITS. Mr. President, it is noteworthy when an American shipping company achieves such excellence of performance as to warrant awards by the U.S. Government. Such a development has just taken place for the United States Lines Co., which has been cited by the Public Health Service for most satisfactory results in vessel sanitation.

The special citation was presented because each of the 57 vessels operated by the United States Lines achieved a rating of 95 or higher on an official Public Health Service inspection involving 166 separate items of sanitary construction and maintenance.

Particularly noteworthy is this recognition of highly satisfactory service to the traveling public because United States Lines is receiving the award for the fourth consecutive year. The previous citations were awarded in January 1957, May 1958, and September 1959.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 1844) to amend the Life Insurance Act of the District of Columbia approved June 19, 1934, as amended by the acts of July 2, 1940, and July 12, 1950.

The message also announced that the House had concurred in the amendments of the Senate numbered 1 through 42, inclusive, and amendments numbered 45 through 49, inclusive, to the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes; that the House concurred in the amendments of the Senate numbered 43 and 50 to the bill; that the House disagreed to the amendment of the Senate numbered 44 to the bill; and that the House had concurred in amendment of the Senate numbered 51 to the bill, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1018. An act to authorize and direct the transfer of certain personal property to State and county agencies engaged in cooperative agricultural extension work;

S. 1508. An act to provide for economic regulations of the Alaska Railroad under the Interstate Commerce Act, and for other purposes;

S. 1752. An act for the relief of Stamatina Kalpaka;

S. 2053. An act to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina;

S. 2174. An act to permit the filing of applications for patents to certain lands in Florida;

S. 2331. An act to provide for hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes;

S. 2443. An act for the relief of Edgar Harold Bradley;

S. 2481. An act to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes;

S. 3072. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey;

S. 3189. An act to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes;

S. 3226. An act to amend section 809 of the National Housing Act; and

S. 3485. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the United States, and for other purposes.

UNMET NEEDS OF CHILDREN AND YOUTHS—REPORT FROM MARION COUNTY (OREG.) WHITE HOUSE CONFERENCE COMMITTEE

Mr. MORSE. Mr. President, on June 27 I received a letter from Mrs. L. E. Marschat, chairman of the Marion County White House Conference Committee, the letter being dated June 21, 1960, relating to a report on unmet needs of children and youths from the Marion County White House Conference Committee.

I ask unanimous consent that the letter and a copy of the report referred to in the letter be printed in the RECORD.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

SALEM, OREG., *June 21, 1960.*

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: Attached you will find a copy of the report on unmet needs of children and youth from the Marion County White House Conference Committee.

We are taking the liberty of addressing this letter directly to you, with a copy of our report, because of your concern with the problem of migrant children. This, of course, is a concern of Oregon, and especially of Marion County.

You will find this copy is marked to call your particular attention to recommendations Nos. 5 and 6, page 5.

We appreciate the efforts you have made and urge your continued interest in good legislation, to help Oregon meet the needs of migrant families.

Sincerely,

LULA MARSCHAT
Mrs. L. E. Marschat,
Chairman, Marion County White House Conference Committee.

REPORT TO THE GOVERNOR'S STATE COMMITTEE ON CHILDREN AND YOUTH FROM THE MARION COUNTY WHITE HOUSE CONFERENCE COMMITTEE, JUNE 1960

The following report of the activities of the Marion County committee for the past year is respectfully submitted to the Governor's Committee, to the citizens and appropriate officials of Marion County, and to interested people everywhere. This is the second stage in the work of the Marion County committee, and is part of the total national and State effort revolving around preparation for, and followup on, the President's White House Conference on Children and Youth for 1960. This report, like the first report of a year ago, represents many hours of hard and devoted service by many citizens of Marion County, and the sincere appreciation of the county committee is extended to each of them.

INTRODUCTION

The first report of the Marion County committee was prepared and presented in June 1959. That report included a listing of the unmet needs of children and youth in Marion County, as developed by four, hard-working committees. Early in the fall of 1959, in keeping with the continuing plan developed by the Governor's State committee, the work in Marion County was reactivated under the leadership of the same county core committee that had directed the work leading to the first report. The committee includes Mrs. L. E. (Lula) Marschat, chairman; Dr. George B. Martin, vice chairman; Charles Woodcock, secretary; Mrs. L. E. (Miriam) Carlson, Mrs. Roy (Trudy) Green, Mrs. Harmon (Bernice) Yeary, Miss Jane Irving, Mrs. Cecil (Helen) Monk, and consultants Circuit Judge Joseph Felton and Mrs. Carl (Agnes) Booth, county school superintendent.

It was decided that the best procedure for a study-in-depth of some of the needs of Marion County boys and girls would be to reorganize the working committees. After careful study of the original county report, the reports and working materials received

from the State committee, and a review of the thinking of the county committee, it was agreed to assign the personnel who served during the first year to four new working committees. These were entitled: (a) "Educational and Extended School Services," (b) "Counseling and Guidance, and Work Opportunities for Youth," (c) "Juvenile Protection Services," and (d) "Coordinating Activities and Services."

In the assignment of personnel to these committees, each individual who participated in the preparation of the first report (June 1959) was asked to express a preference for a new committee. Special effort was made to get young people of high school age, both leaders and others, to accept appointment to a committee. A number not only served, but did so with enthusiasm and with real acceptance of responsibility.

The major work of the four committees will be found reflected in the reports and recommendations that follow.

An important additional committee assignment was to assist the county committee in suggesting procedures and in helping to carry out plans to make it possible for the Marion County representative, Mrs. Marschat, to attend the President's White House Conference. Through the efforts of many fine individuals and organizations, it was possible to secure the financial support required to send Mrs. Marschat to this meeting. The thanks of the Marion County committee is extended to all these fine people for their interest in this program and their willingness to support it with their dollars.

It should be noted, in passing, that a small amount of money was available upon Mrs. Marschat's return to help her make personal reports to groups and organizations in Marion County, in order that as many citizens as possible might learn the real significance of the Conference and its implications to all of us.

COMMITTEE REPORTS

The first decisions that were made by the members of each of the four committees, at the organizational meeting last fall, involved the need to select from the many unmet needs and other problems that might logically belong to a given committee, the few to which intensive time and study might be given. The decision, in each case, was based on those most pressing problems for which data might be available and profitable action decisions proposed.

Each committee then held a series of working sessions during the next few months, involving hard and devoted effort.

The following represents a synthesis of the reports, as presented by the four committees. The specific recommendations are numbered consecutively through the reports for easy identification.

A. Education and extended school services.

One of the most important factors in the educational program is the teacher. The requirements for teacher preparation and certification, through which one becomes qualified as a public school teacher, have been increasing in recent years. It is impossible to include all areas of instruction during this preparation period, and it is impossible to anticipate the changing needs of our society during these 4 years of college study.

The public, generally, has no real way to judge good instruction and has no basis on which to fully understand teacher qualifications. It is therefore important that members of the school community understand that the initial training of a teacher needs regular upgrading.

Recommendation 1: It is recommended that ways be explored to help school districts assume greater responsibility for the in-service education of teachers in order to help them meet the changing needs and conditions of the community, society and youth, and that ways should be explored to help members of the community recognize good instructional practices. Inservice, and continuing improvement is needed, also, to help good teachers qualify for special teaching with the gifted, the retarded and other special groups.

Considerable attention has been given in the past, and continues today with renewed vigor, to recreational programs of all kinds and to membership in the YMCA or YWCA and other youth groups. The opportunities for real creative experiences in school and the community are quite limited, however.

Recommendation 2: It is recommended that the attention of many groups be directed to thinking about and to the promotion of programs planned to provide creative experiences for youth, both in school and in the community; as illustrated by such activities as the junior symphony orchestra and the Marion County PTA-sponsored student art exhibit.

It is generally recognized that the forces that positively motivate a person are often much more important than the knowledge one possesses about a subject or a business. It is the enthusiasm with which a person approaches a task that determines success, whether it be a school lesson, or a sales assignment, or a machine job.

Recommendation 3: It is recommended that since the factor of motivation is so very important, that this topic be further explored in depth with the intent of spreading greater knowledge among all members of the community to find and use greater potentials for adequate personal motivation of boys and girls.

Some libraries in the elementary schools in the county, particularly outside Salem, are inadequate. Community library services and elementary and secondary school libraries are normally mutually supporting and coordinated. However, in this area, community libraries are not universally available to fill this need. A full knowledge of present library services in Marion County communities and schools would focus attention on the problem and emphasize the total needs.

Recommendation 4: It is recommended that a study of the present library services be conducted throughout the county; and that the county court be requested to give assistance in promoting a study of a program planned to strengthen the services that are available in the county.

Marion County is affected at least as much as any other county in Oregon by an influx each year of children of migrant workers. The school facilities and educational programs are not adequate to meet the needs of all of these children. There appears to be a lack of basic knowledge of the extent of the migrant problem and of the effect it has on schools. It seems that a majority of these children are not receiving a minimum educational program.

The last session of the Oregon Legislature provided for a pilot program to study the educational needs and other services required for children of migrant families.

Recommendation 5: It is recommended that the county and State committees give particular attention to this problem, and that work of the new State program be followed with care to determine its effectiveness and the areas of continuing need and action.

Recommendation 6: It is further recommended that continuing attention should be given by the U.S. Congress to the need for funds for migrant programs, and that this recommendation be communicated to our Congressmen.

Oregon has recently enacted legislation which has provided a more adequate framework and the administrative machinery for schools to provide better services for mentally retarded children, but the program is not fully implemented, and local communities will need help in carrying the program into schools of the county.

Recommendation 7: It is recommended that continued attention be given by each county committee for mentally retarded children, so that full responsibility will be accepted by each school district, and so that complete understanding will be gained by the patrons of each community.

B. Counseling and guidance, and work opportunities.

Most educators, and many people, are aware that education does not begin in the first grade, but at the very instant a child is born. They are also aware that the fundamental concepts that the child begins to acquire at birth are the concepts that will accompany the child to school and on out into adult life. It is in the home that the child first learns the value of cooperation and working together; of respect and appreciation for those in authority; of tolerance for all peoples.

Case studies of the inmates of various institutions show that a majority of the problems of individuals may be traced back to childhood maladjustments or unpleasant conditions that existed during these early years.

There is a strong conviction that "an ounce of prevention is worth a pound of cure" and that the development of adequate guidance services in all schools at early periods in a child's development, as well as in the high school, would serve desirable preventive as well as other useful services.

Every high school in Marion County, but one, does have some kind of counseling service, but in all cases the number of periods devoted to counseling is inadequate and, in some cases, conducted by inadequately trained personnel. It is also agreed that the work of the counselor must be supplemented by the interest, insight, and understanding of every classroom teacher.

The National Defense Education Act has recently focused attention on the need for more adequate counseling services at the high school level.

Recommendation 8: It is recommended that ways be explored to meet the counseling and guidance of all children, preschool age, elementary and secondary, and that a program be developed to build community understanding and to provide these services.

Recommendation 9: It is also recommended that every channel be used to explore the opportunities for the use of parent education on the importance and use of guidance and counseling services, both for the school and for the community.

Recommendation 10: It is further recommended that each high school evaluate the effectiveness of its guidance program in terms of the services offered, the training of personnel, and the availability of time devoted to such service.

In recent years, emphasis in the study of youth has shifted from child labor and related problems to youth employment and the transition from school to work. Special emphasis seems to be given in our schools to the preparation of those going on to college, while little new attention or study has been devoted to the appropriate type of school training and experience needed by the noncollege bound and for those who may be, in fact, mentally retarded. The schools, generally, have not yet started new, nor enlarged present, programs for these young people of high school age.

The noncollege bound youth has one or more of these problems: No high school diploma, no special or ordinary skills, a court record, and/or is a member of a minority group. Present trends suggest that special training, job placement and follow-up programs are needed for these youth, with emphasis on the community rather than the school doing something about it.

An interesting approach, generally referred to as the "job upgrading program," is reported to be found in Detroit, Mich. It is flexible, voluntary, and informal, and is pro-

vided for young people from 16 to 21 who are out of school and unemployed. The community and its agencies, public and private, with the public school, sponsor the program. Emphasis is on the skills needed to secure, hold and become upgraded in a job.

General conclusions coming from this and similar attempts to meet the needs of youth suggest that:

1. Programs of studies need to be instituted for those students who are just "sitting in seats" and accomplishing little in the school day.

2. It is more economical to make productive citizens than to rehabilitate them after they experience failure.

3. For students who graduate from high school, but do not go on to college, it is generally agreed that the comprehensive high school provides the best possible training.

4. Schools can help these youth by providing supervised work experience in the comprehensive high school.

Recommendation 11: It is recommended that a committee be established to investigate in depth the problems of youth who need vocational and/or technical training, and to study appropriate followup activities for these young people.

Recommendation 12: It is further recommended that a joint study be conducted by the State employment service, the secondary schools of the county, the section for vocational rehabilitation, and other interested groups and individuals to determine the area of responsibility of the schools as distinct from that of the community for these noncollege bound young people.

The record indicates that 23 percent of divorces in Oregon in 1956 were granted to persons married less than 2 years. One in every seven children now under 18 years of age lives with but one or with neither parent. Three years ago one out of every three marriages in Marion County ended in divorce, a ratio greater than that of the Reno divorce courts.

The marriage clinic now operating in Salem was started in March 1957, with counsel provided only for husband and wife who came together for help. To date, a total of over 100 couples have come for this service, representing some 25 communities as far away as Portland and Roseburg. This clinic is not available for individual or for premarital counseling.

Recommendation 13: It is recommended that the Salem Marriage Clinic be commended for its excellent accomplishments, but that it be expanded to provide: Counseling for the individual marriage partner, and premarriage classes and counseling to assist couples in their preparation for marriage.

C. Juvenile protection services.

The members of this committee had an initial concern for improvement in the fields of preventive services, designed to reduce the need for protective services. Their inquiry and discussions ranged into such areas as:

1. The place and need for child guidance clinics.

2. Early marriages and high incidence of divorce (covered above).

3. The employment scene as it relates to those not in school (covered above).

4. The counseling needs of parents and children (covered above).

5. The particular problems of those who drop out of school prior to graduation (covered above).

6. Recreation services and opportunities for those not now reached or who are just above the school-age groups. (See below.)

7. Health problems, particularly those relating to increases in venereal infection in teen-age groups.

8. The problems faced by youth while in, and immediately following, institutional care in Marion County.

As so many of these were the concern of other committees involved in this current study, it was agreed to concentrate on a study of the field services available to children and youth in need of immediate protective services.

The committee made a thorough visit to the juvenile court, the detention and jail facilities in the courthouse, and discovered the need for more office space, for shelter care, and for a receiving home and detention center.

Recommendation 14: It is recommended that the program presented by the advisory council to the juvenile court be approved and that support be given to all efforts to provide a juvenile court facility, and that thought also be given to a camp or "Highfields" type facility.

Recommendation 15: It is further recommended that a concerted effort be made to alert the community to the need for adequate and additional foster homes to serve both the juvenile and welfare departments of the county, and that a common pattern be developed governing the care and payment to be provided by each agency.

In the time available to it, the committee was able to visit only one of the State institutions located in Marion Couny: Hillcrest School for Girls.

Recommendation 16: It is recommended that study should be given to the advantages that may be found in the use of a "half-way house" for girls who may be ready for release from the school, but not completely ready to return to and be accepted by the home community.

D. Coordinating activities and services.

The committee sought first to gather information about the various agencies, clubs, and other groups in Marion County whose programs involved youth in some manner. It was hoped that a "social service directory" might be developed, but more time was found to be required to complete this formidable task. A list of the agencies and groups already identified will be found on pages 14 and 15.

The attempt to locate and identify all of these groups, and to bring some possible order to their efforts provided only a modest approach to any real solution to these problems of integration of effort. It is clear that a real need exists in this community for more positive, cooperative efforts to direct into more effective channels the efforts of many people who are concerned about the needs of children and youth.

Recommendation 17: It is recommended that a countywide survey be made, under the sponsorship of the Governor's office, to adequately determine all the services that are available to the youth of Marion County.

Recommendation 18: It is also recommended that the important work being done by the many community service clubs and related organizations be recognized and more effectively coordinated by: conducting a survey of their youth programs, establishing a clearinghouse where the clubs may learn what is being done and what unmet needs exist, and attempting to set up some form of coordinating agency for these activities.

Recommendation 19: It is also recommended that some means be devised so that an agency, club or organization planning to make a study or gather data with regard to children and youth may gain information about these proposed programs in order to avoid duplication of effort by both organizational personnel and by those who are requested to provide information.

Recommendation 20: It is also recommended that a clearinghouse, or informal meeting at stated intervals be provided for school counselors, social caseworkers, agency staff members and others who would meet each other personally, share information about programs and procedures, and exchange data about cases common to two or more programs. A pilot program or approach to this step should be started immediately, perhaps with the title—"Council of Community Services for Youth." (A small beginning in this direction has already been started by members of this committee.)

Recommendation 21: It is further recommended that an official "Social Service Exchange" be established and placed into operation in the near future.

Recommendation 22: Finally, it is recommended that careful, critical study be given to the program of, the need for, and the effectiveness of the present "Community Council."

CONCLUSION

The entire Marion County committee, with the chairmen of the four working committees whose reports appear above, have reviewed these recommendations. The county committee, after careful study, has reached the conclusion that an additional important area of concern should be included. On many occasions during the discussions that led to this report, both within the four committees and in the county committee, comment was made on the pressing need that exists for immediate and effective study and planning for young adults, those whose ages lie between 16 and 25. This is closely related to our concern for the noncollege boy and girl.

Recommendation 23: It is recommended that immediate steps be taken by all appropriate groups to determine and plan to meet the particular social, emotional and personal needs of young people from ages 16 to 25, including the problems of job getting and holding; dating, marriage and family responsibility; social and recreational outlets; and identification with other established groups in the community, including the church.

The county committee, with the committee chairman, urge local attention to the various recommendations that appear above on the following priority basis. The first to merit immediate implementation and followup activity should be recommendations 11 and 12, as they relate to the need for vocational and/or technical training for Marion County youth. The second priority for further work should go to recommendations 9 and 10, as they relate to a broad counseling service for all children and youth; preschool, elementary and secondary ages.

The county committee also urges immediate and consistent attention to recommendation 14, and recommends that all community agencies join in the support of a program leading to a juvenile court facility.

The Marion County committee further recommends that the State committee give particular attention to recommendation 5, relating to the needs of the children of migrant families, and to the importance of followup activities on the program initiated by the 1959 Oregon Legislature. It is also urged that the State committee consider the particular problems outlined in recommendation 23, dealing with the needs of noncollege young people of ages 16 to 25.

In conclusion, the Marion County Committee would like to commend these hard workers, who were most active in the development of the four committee reports and recommendations, and in the work leading to this final report. For committee A.—Walter Shold, chairman, and Helen Monk, adviser; committee B.—Ted Hobart, chairman, and Trudy Green, adviser; committee C.—Verne Merrick, chairman, and Bernice Yeary and Judge Joe Felton, advisers; and committee D.—Betty Lou Jones, chairman, and Miriam Carlson, adviser.

(NOTE.—The Marion County committee is distributing copies of this report to all who

participated in its preparation, to the Governor's Oregon State committee, to all agencies, groups and individuals, public and private, mentioned in the recommendations and to other interested persons.)

AGENCIES AVAILABLE TO MARION COUNTY YOUTH

Character building: YMCA and YWCA, Boy Scouts and Girl Scouts, Camp Fire Girls, 4-H and Future Farmers, Salvation Army, church youth groups.

Educational: Public and nonpublic schools, public and State library, adult and vocational education, American Red Cross.

Medical and health: Marion County Health Department, U. of O. medical and dental schools, Oregon State Hospital, TB Hospital, Fairview Home, American Red Cross, arthritis and rheumatism funds, cancer and heart societies, New March of Dimes, Anti-TB Association, Salem Dental Clinic.

Recreational: School activities, city and community recreation, public and State libraries, city, county, and State parks.

Religious: Churches, YMCA and YWCA, Salvation Army, Young Life.

Service clubs: Men—Lions, Rotary, and Kiwanis, 20/30, Active and Civitan, Exchange and Optimist, Downtown Merchants, Chamber of Commerce, Junior Chamber of Commerce.

Service clubs: Women—Lions Auxiliary, Rotarian Women, Rotana and Altrusa, Co-Active and Civenette, LeSertoma and Soroptimist, Zenith and Zonta, JayCee Ettes, Business and Professional Women.

Fraternal orders: Adult—Elks, Masons, and Eagles, Shriners, Eastern Star, Odd Fellows and Rebekahs, Pythian Sisters and Royal Neighbors, B'nai B'rith and PEO.

Youth—Job's Daughters and Rainbow, De Molay and Theta Rho, Junior Odd Fellows.

Armed Services: American Legion and Auxiliary, Veterans of Foreign Wars, Daughters of the American Revolution.

Counseling and guidance: Vocational education—school counseling, State employment service, State department of vocational rehabilitation, State correctional institution, general extension division, State system of higher education.

Emotional and personal problems—churches, State correctional institution, Marion County Welfare, YMCA.

Legal—Salem Legal Clinic.

Psychiatric—State correctional institution, U. of O. Psychiatric Department, Child Guidance Clinic, outpatient department, Oregon State Hospital.

Law enforcement: City juvenile officer, city and State police, county sheriff, county juvenile court.

Group care institutions:

Correctional: Hillcrest and MacLaren, Villa St. Rose, State intermediate correctional institution, Louise Home and Juvenile Hospital.

Handicapped and retarded: Fairview Home Schools for the Deaf and the Blind, Baby Louise Haven School.

Dependent: Christie Home, St. Mary's Home for Boys, Our Lady of Providence Nursing Home, the Children's Home, Inc., Catholic Services for Children, Albertina Kerr Nursery, Waverly Baby Home, Children's Farm Home of OWCTU, Boys and Girls Aid Society.

Homes for unwed mothers: Louise Home and Juvenile Hospital, Volunteers of America of Oregon, Inc., Salvation Army White Shield Home, and E. Henry Wemme Memorial Hospital.

Adoption: Boys and Girls Aid Society, Waverly Baby Home, Albertina Kerr Nursery, Catholic Services for Children, Jewish Family Child Services, State Public Welfare Commission.

NATIONAL CAPITAL TRANSPORTATION ACT OF 1960

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1703, Senate bill 3193, the National Capital transit bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3193) to aid in the development of a unified and integrated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize creation of a National Capital Transportation Corporation, to authorize negotiation to create an Interstate Transportation Agency, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia, with an amendment, to strike out all after the enacting clause and insert:

TITLE I—SHORT TITLE, STATEMENT OF FINDINGS AND POLICY, AND DEFINITIONS

Short title

SEC. 101. This Act may be cited as the "National Capital Transportation Act of 1960".

Statement of findings and policy

SEC. 102. The Congress finds that an improved transportation system for the National Capital region (1) is essential for the continued and effective performance of the functions of the Government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital; (2) requires the planning on a regional basis of a unified system of freeways, parkways, express transit service on exclusive rights-of-way, and other major transportation facilities; (3) requires cooperation among the Federal, State, and local governments of the region and public carriers in the development and administration of major transportation facilities; (4) requires financial participation by the Federal Government in the creation of certain major transportation facilities that are beyond the financial capacity or borrowing power of the public carriers, the District of Columbia, and the local governments of the region; and (5) requires coordination of transportation facilities with other public facilities and with the use of land, public and private. The Congress therefore declares that it is the continuing policy and responsibility of the Federal Government, in cooperation with the State and local governments of the National Capital region, and making full use of private enterprise whenever appropriate, to encourage and aid in the planning and development of a unified and coordinated transportation system for the National Capital region.

Definitions

SEC. 103. When used in this Act—

(a) "National Capital region" means the District of Columbia, Montgomery and Prince Georges Counties in the State of Maryland, Arlington, Fairfax, Loudoun, and Prince William Counties and the cities of Alexandria and Falls Church in the Commonwealth of Virginia, and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of said counties and cities.

(b) "Government agency" and "government agencies" mean the Government of the United States, District of Columbia, Commonwealth of Virginia, State of Maryland, or any political subdivision, agency, or instrumentality thereof which is located within, or whose jurisdiction includes all or part of the National Capital region; the term includes, but is not limited to, public authorities, towns, villages, cities, other municipalities, and counties.

TITLE II—CREATION OF A NATIONAL CAPITAL TRANSPORTATION AGENCY

National Capital Transportation Agency

SEC. 201. (a) There is hereby established the National Capital Transportation Agency (hereinafter referred to as the "Agency"). The Agency shall be subject to the direction and supervision of the President, or the head of such department or agency as he may designate. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at a rate equal to the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended, plus $500 per annum.

(b) To assist the Administrator in the execution of the functions vested in the Agency there shall be a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at a rate equal to the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended. The Deputy Administrator shall perform such duties as the Administrator may from time to time designate and shall be Acting Administrator during the absence or disability of the Administrator.

(c) No Administrator or Deputy Administrator shall during his continuance in office, be engaged in any other business, but shall devote himself to the work of the Agency. No Administrator or Deputy Administrator or member of the Advisory Board (established in section 202) shall have financial interest in any corporation engaged in the business of providing public transportation nor in any corporation engaged in the manufacture or selling of passenger transportation equipment or facilities.

Advisory Board

SEC. 202. There is established an Advisory Board of the National Capital Transportation Agency. The Advisory Board shall be composed of five members appointed by the President, by and with the advice and consent of the Senate, at least three of whom shall be residents of the National Capital region. The President shall designate one member as chairman. The Advisory Board shall meet at least once every ninety days. The Advisory Board shall advise the Administrator in respect of such matters as the general policies of the Agency; Agency policies in connection with acquisition, design, and construction of facilities; fees for the use of Agency facilities and property; planning and administration generally; and such other matters as may be referred to it by the Administrator or which the Advisory Board, in its discretion, may consider. Each member of the Advisory Board, when actually engaged in the performance of his duties, shall receive for his services compensation at a rate not in excess of the per diem equivalent of the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended, together with travel expenses as authorized by section 5 of the Act of August 2, 1946, as amended (5 U.S.C. 73b-2), for persons employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis.

Advisory and coordinating committees

SEC. 203. (a) The Administrator is authorized to establish such advisory and coordinating committees composed of representatives of State and local governments, Federal agencies, other Government agencies, and such private organizations and per-

sons as may be necessary or helpful to obtain the maximum amount of cooperation and correlation of effort in order that a unified and integrated system of transportation be developed for the National Capital region. These advisory and coordinating committees shall consider problems referred to them by the Administrator and shall make recommendations to the Administrator concerning the activities of the Agency as they affect transit, traffic and highway conditions, and other matters of mutual interest to the Agency and to the Government agencies, organizations, and persons represented on the advisory and coordinating committees.

(b) The advisory and coodinating committees shall serve the Agency solely in an advisory capacity. Members of such committees shall serve thereon without additional compensation. Members who are not representatives of an agency of the United States may receive travel expenses as authorized by section 5 of the Act of August 2, 1946, as amended (5 U.S.C. 73b–2), for persons serving without compensation.

Preparation and approval of Transit Development Program

SEC. 204. The Agency—

(a) Shall prepare, and may from time to time revise, a Transit Development Program. The Transit Development Program shall consist of a plan or plans indicating the general location of facilities in which the Agency will participate for the transportation of persons within the National Capital region, a timetable for the provision of such facilities and comprehensive financial reports including costs, revenues, and benefits. The Transit Development Program may indicate (1) the routes of surface, subsurface, and elevated carriers, including bus and other motor vehicle carriers, rail carriers, waterborne carriers, air carriers, and other carriers, and (2) the location and extent of terminals, stations, platforms, motor vehicle parking facilities for transit users, extra-wide median strips and other rights-of-way, docks, rails or tracks or other similar facilities, bridges, tunnels, buildings or structures, powerplants, repair shops, yards, garages, and other necessary facilities relating to the transportation of persons. The Transit Development Program shall, to the extent practicable, conform to the general plan for the development of the National Capital region and to the comprehensive plan for the National Capital within the meaning of sections 3, 4, and 5 of the National Capital Planning Act of 1952 (66 Stat. 781), except as may be determined by the President.

(b) Shall, in the preparation of the Transit Development Program, give special consideration to:

(1) Expanded use of existing facilities and services, including expanded use and development of existing railroad lines into the District of Columbia, and coordinated and efficient transit service across jurisdictional boundaries and between areas served by different companies: *Provided*, That the Public Utilities Commission of the District of Columbia, before granting its approval to any further conversion by the D.C. Transit System, Inc., of street railway operations to bus operations as provided in section 7 of the Act of July 24, 1956 (70 Stat. 598), shall consult with the Agency on the possible use of street railway facilities and equipment in the Transit Development Program. The Commission may withhold its approval of such conversion and require the preservation of equipment and facilities already withdrawn from service if it finds that there is a substantial possibility that the Transit Development Program will provide for the continued use of street railway facilities and equipment, in which case the program of conversion of street railway operations to bus operations contemplated by section 7 of said Act shall be considered to be so substantially completed that the taking effect of subsection 9(g) of said Act would be appropriate in the public interest, and subsection 9(g) of said Act shall immediately take effect.

(2) Early development of a subway from Union Station capable of rapid dispersal of passengers from the railhead to the principal employment centers in the District of Columbia and its immediate environs, and capable of being extended to serve other parts of the region: *Provided*, That no freeway, or new parkway more than two lanes in width, shall be built within the District of Columbia west of Twelfth Street, Northwest, and north of either the north or the west legs of the proposed Inner Loop Freeway, the proposed Potomac River Expressway, or the proposed Palisades Parkway, before July 1, 1962; and the Agency shall not later than January 10, 1962, submit to the President, for transmittal to Congress, its recommendation as to whether any such freeway or parkway should thereafter be built.

(3) Acquisition and development of rights-of-way and related facilities for providing express transit lines in conjunction with major highways and bridges.

(c) Shall prepare proposals for implementing each part of the Transit Development Program, including preliminary engineering plans, descriptions of the character of services to be rendered, estimates of costs and revenues, arrangements for financing and organization, and other information setting forth the manner in which the program is to be carried out: *Provided*, That no part of the Transit Development Program shall be carried out by the Agency until a report containing a full and complete description of that part of the program has been transmitted to the Congress, and the execution of that part of the program has been approved in appropriation Acts thereafter enacted by the Congress.

(d) In order to facilitate the transition from a Federal agency to an interstate proprietary agency and to further coordination within the National Capital region, shall submit the Transit Development Program and any revision thereof: (1) to the governing bodies of the District of Columbia, Montgomery and Prince Georges Counties in the State of Maryland, and Arlington, Fairfax, Loudoun, and Prince William Counties and the cities of Alexandria and Falls Church in the Commonwealth of Virginia, and the transit regulatory bodies having jurisdiction in the National Capital region for review and comment; (2) to such organizations of government agencies or officials concerned with the solution of the community development problems of the National Capital region on a unified metropolitan basis that is now in existence or which may be created by agreement, law, or compact for review and comment; (3) to the Commission of Fine Arts for review and comment; (4) to private companies transporting persons in the National Capital region for review and comment; and (5) to the Governors of Maryland and Virginia or such government agencies as they may designate for approval of the location and extent of proposed Agency facilities and the timetable for the provision of such facilities within Maryland and Virginia, respectively; and except as provided in subsection (e) of this section, the Agency shall not acquire, construct, or operate property, rights-of-way, or facilities indicated in the Transit Development Program or a revision thereof within the State in which such property, rights-of-way, or facilities are located unless prior thereto the Governor of the State involved or such government agency as he may designate shall have approved the Transit Development Program or the pertinent revision thereof.

(e) Until the Transit Development Program has been approved by the Governor of Maryland or Virginia as provided in subsection (d) of this section, shall, when it proposes to acquire, construct, or operate property, rights-of-way, or facilities located in Virginia or Maryland, first submit plans and other information showing in detail the purposes for which such property, rights-of-way, or facilities are to be used to the Governor of the State in which the property, rights-of-way, or facilities are to be located, or to such government agency as may be designated by the Governor. In implementing programs approved by the Congress in accordance with section 204(c), the Agency may acquire, construct, or operate such property, rights-of-way, or facilities, as the case may be, in the State upon approval of the Governor thereof, or of the designated government agency.

(f) Shall conduct research, surveys, experimentation, evaluation, design and development, in cooperation with other Government agencies and private organizations when appropriate, on the needs of the region for transportation; on facilities, equipment, and services to meet those needs; on organization and financial arrangements for regional transportation; and on other matters relating to the movement of persons in the region. The Agency's studies shall include a continuation of the work begun in the mass transportation survey conducted by the National Capital Planning Commission and the National Capital Regional Planning Council, pursuant to the Second Supplemental Appropriations Act of 1955 (69 Stat. 33), and shall include further studies as may be necessitated by changed conditions, the availability of new techniques, and the response of Government agencies and the public to the transportation plan adopted by the Commission and Council. The Agency's studies shall also include evaluations of the transportation system recommended in the transportation plan, and of alternative facilities and kinds of services.

(g) Shall submit to the President for transmittal to Congress, not later than November 1, 1962, recommendations for organization and financial arrangements for transportation in the National Capital region. The Agency shall consider the following organizational alternatives, among others: a Federal corporation, an organization established by interstate compact, and continuation or modification of the organization established by this Act. In preparing its recommendations the Agency shall consult with the governments of the District of Columbia, Maryland, and Virginia, the local governments of the National Capital region, and the Federal agencies having an interest in transportation in the National Capital region: *Provided*, That any recommendations submitted by the Agency shall provide as far as possible for the payment of all costs by persons using or benefiting from regional transportation facilities and services, and shall provide for the equitable sharing of any remaining costs among the Federal, State, and local governments.

Functions, duties, and powers

SEC. 205. (a) Subject to the provisions of this title, the Agency—

(1) in order to implement those parts of the Transit Development Program approved by statute in accordance with section 204(c), and except as provided in the proviso of paragraph (2) of this subsection, may acquire (by purchase, lease, condemnation, or otherwise) or construct transit facilities, property, and rights-of-way for the transportation of persons within the National Capital region. Such facilities, property, and rights-of-way may include those enumerated under section 204(a) or any other necessary transit facilities, property, or rights-of-way relating to transportation of persons. The Agency may contribute funds for the acquisition of rights-of-way for, and the construction of limited amounts of freeways, parkways, and other arterial highway facilities, including construction incidental to

the use and protection of such rights-of-way for transit facilities, to the government agencies having jurisdiction thereof if, in the opinion of the Agency, such contributions are necessary to the fulfillment of the objectives of this Act:

(2) may operate all facilities acquired or constructed by it, or may enter into agreements with government agencies, private transit companies, railroads, or other persons for the operation of its facilities, the use of its operating rights, or the provision of transit services making use of other facilities and operating rights: *Provided,* That the Agency shall not acquire the facilities, property, or rights-of-way of private motorbus companies and persons; or operate buses or similar motor vehicles or make agreements for the provision of motorbus services competitive with private transit companies; but may make agreements for the provision of service which is not competitive with services of private transit companies and persons;

(3) shall encourage private transit companies to provide needed services in a manner consistent with the Transit Development Program;

(4) may lease space or property owned or acquired by the Agency, or may contract with persons for the purpose of constructing and operating facilities, which, in the opinion of the Agency, will encourage or facilitate the use of transit facilities of the Agency. Rentals or other fiscal arrangements in connection with such leases or contracts shall be adjusted so that undue competitive advantage is not given over other persons in the National Capital region: *Provided,* That in the operation of such facilities, the lessee or franchise holder shall comply with all applicable Federal, State, and local building and zoning laws, ordinances, and regulations;

(5) may enter into and perform contracts, leases, and agreements, and other transactions with any government agency, private transit company, railroad, or other persons;

(6) may sell or lease advertising space or may contract with responsible persons for the sale or lease of such space: *Provided,* That the lessee or contractee shall comply with all applicable Federal, State, and local zoning and advertising laws, ordinances, and regulations;

(7) shall cooperate with government agencies to facilitate coordination of location, design, and construction of freeways, parkways, and other arterial highway facilities with the Transit Development Program. The purpose of such coordination is to assure the comprehensive development of transportation facilities best suited to meet the objectives of this Act and to achieve maximum benefits from moneys available for such purposes. The responsibility and authority for location, design, construction, and operation of freeways, parkways, and other arterial highway facilities shall remain with the government agencies having jurisdiction thereof, but all Federal agencies' plans for location and design of highway facilities shall be forwarded to the Agency, and all State and local agencies' plans for location and design of highway facilities may be requested by the Agency for its review and comment. The Agency shall cooperate with all planning agencies of the National Capital region and the appropriate government transportation regulatory agencies including the Washington Metropolitan Area Transit Commission in the development of transportation facilities and, wherever feasible and desirable, develop joint plans with such agencies;

(8) may initiate proposals for regulating and coordinating the flow of traffic in the National Capital region so as to promote the optimum use of the highway network and other transportation facilities;

(9) may make or participate in studies of all phases of transportation into, within, and out of the National Capital region, including transit vehicle research and development and fiscal research studies. The Agency may publicize and make available the results of such studies and other information relating to transportation;

(10) may appoint and fix the compensation of officers, attorneys, agents, and employees; may define their powers and duties; may require bonds for the faithful performance of their duties; may employ experts and consultants or organizations thereof to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed the usual rates for similar services.

(11) may, subject to the standards and procedures of section 505 of the Classification Act of 1949, as amended, place not to exceed five positions in grades 16, 17, or 18 of the General Schedule established by such Act. Such positions shall be in addition to the number of positions authorized to be placed in such grades by such section 505; and

(12) may make such expenditures at the seat of government and elsewhere as may be necessary for the exercise and performance of the powers and duties vested in the Agency and as from time to time may be appropriated for by the Congress, including expenditures for (1) rent and personal services at the seat of government and elsewhere; (2) travel expenses; (3) office furniture, equipment and supplies, lawbooks, newspapers, periodicals, and books of reference (including the exchange thereof); and (4) printing and binding.

(13) May, by agreement with the Board of Commissioners of the District of Columbia, designate such Board as the instrumentality through and by which facilities of the Agency in the District of Columbia are to be designated and constructed.

(14) The Agency, its property, income, and transactions are expressly exempted from taxation in any manner or form or from the imposition of any licenses or fees of any kind whatsoever by any State or political subdivision thereof and by the District of Columbia but such exemption shall not extend to contractors for, or lessees of, the Agency, or to any person, company, or association which engages in any business activity pursuant to any franchise, grant, or agreement of the Agency.

(b) Every agency or instrumentality of the Government of the United States and of the government of the District of Columbia may enter into agreements with the Agency in respect of any matter for which such agreements are authorized pursuant to this Act.

(c) The provisions of section 355 of the Revised Statutes, as amended (40 U.S.C. 255), shall be applicable to property acquired by the Agency. Proceedings in behalf of the Agency for the condemnation of property in the District of Columbia shall be instituted and maintained under the Act of March 1, 1929 (45 Stat. 1415), as amended, and of property elsewhere, under the Act of August 1, 1888, as amended (40 U.S.C. 257), and Act of February 26, 1931 (46 Stat. 1421 and the following, 40 U.S.C. 258), or other applicable Act. This subsection shall apply to both real and personal property: *Provided,* That no action in condemnation of any property shall be commenced in behalf of the Agency until a reasonable effort has been made to negotiate with the owner of the property.

(d) Subject to the provisions of section 204(c), such sums as shall be required to carry out the purposes of this title are authorized to be appropriated.

TITLE III—AUTHORIZATION FOR NEGOTIATION OF INTERSTATE COMPACT

SEC. 401. (a) It is the intent of Congress to promote and encourage the solution of problems of a regional character in the National Capital region by means of an interstate compact entered into by the State of Maryland, the Commonwealth of Virginia, and the Board of Commissioners of the District of Columbia, with the consent of Congress. To further this policy, the consent of Congress is hereby given to the State of Maryland and the Commonwealth of Virginia and the Board of Commissioners of the District of Columbia to negotiate a compact for the establishment of an organization to serve as a means of consultation and cooperation among the Federal, State, and local governments in the National Capital region, to formulate plans and policies for the development of the region, and to perform governmental functions of a regional character, including but not limited to the provision of regional transportation facilities. No such compact shall be binding upon the parties thereto unless and until it has been approved by the Congress.

(b) As promptly as practicable after the State of Maryland and the Commonwealth of Virginia have approved a compact for the establishment of an organization empowered to provide regional transportation facilities, the President shall submit to the Congress such recommendations as may be necessary or desirable to transfer to such organization such real and personal property, personnel, records, other assets, and liabilities as are appropriate in order that such organization may assume the functions and duties of the Agency.

(c) The President shall appoint a person to participate in the compact negotiations and to represent the United States generally. The Federal representative shall report to the President either directly or through such agency or official of the Government as the President may specify.

(d) The Federal representative, if not otherwise employed by the United States, shall receive for his services, when actually engaged in the performance of his duties, compensation at a rate not in excess of the per diem equivalent of the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended, together with travel expenses as authorized by section 5 of the Act of August 2, 1946, as amended (6 U.S.C. 73b–2), for persons employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis: *Provided,* That if the Federal representative shall be an employee of the United States he shall serve without additional compensation.

(e) The Federal representative shall be provided with office space, consulting, engineering, and stenographic service, and other necessary administrative services.

(f) The compensation of the Federal representative shall be paid from the current appropriation for salaries in the White House Office. Travel and other expenses provided for in subsection (d) and (e) of this section shall be paid from any current appropriation or appropriations selected by the head of such agency or agencies as may be designated by the President to provide for such expenses.

(g) The State and Federal representatives appointed to participate in the compact negotiations are authorized to request from the Agency any information they deem necessary to carry out their functions under this section; and the Agency is authorized to cooperate with the compact representatives and, to the extent permitted by law, to furnish such information upon request made by the compact representatives.

Separability

SEC. 402. If any part of this Act is declared unconstitutional, or the applicability thereof

to any person or circumstances is held invalid, the applicability of such part to other persons and circumstances and the constitutionality or validity of every other part of the Act shall not be affected thereby.

Mr. BIBLE. Mr. President, I ask unanimous consent that Mr. Frederick Gutheim and Mr. Henry Bain, staff specialists on this particular legislation, be permitted the privileges of the floor while we are discussing the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIBLE. Mr. President, I should like to make a brief explanation concerning the bill.

In July of 1959 a Transportation Plan for the National Capital Region was sent to Congress by the President. The plan was prepared by the National Capital Planning Commission and the National Capital Regional Planning Council.

The plan recommended four steps to meet the transportation needs of the Washington area between now and 1980.

The first step recommended in the transportation plan was the construction of four rail transit lines extending outward from downwtown Washington to Bethesda, Silver Spring, Anacostia, and Alexandria. The rails would be in subways in downtown Washington, and would occupy an exclusive right-of-way throughout their entire length.

Second, high-speed bus service running from downtown Washington into the suburbs along freeways and parkways.

Third, expanded and improved bus service on local streets and roads.

Fourth, an expanded highway program, including an acceleration of highway work already planned, and the construction of several newly proposed freeways.

The Bureau of the Budget, acting on behalf of the President and consulting with representatives of the State and local governments, prepared a draft of legislation to establish an organization to carry out the transportation plan. This draft legislation was transmitted to Congress in March 1960, was referred to the Joint Committee on Washington Metropolitan Problems, and has been reported by the Joint Committee to the Committee on the District of Columbia, with certain suggested amendments. The legislative committee has in turn recommended that legislation and reported it to the Senate for its present action.

The bill, as amended, sets up a Federal Agency to be called the "National Capital Transportation Agency," to help provide the Washington area with a modern transit system, making use of private enterprise wherever appropriate.

The Agency will be headed by an Administrator and a Deputy Administrator. There will be a five-man advisory board.

The Agency will do the following:

First. Review the transportation plan submitted by the planning agencies, and make any changes indicated by public reaction to the plan, engineering analyses, and financial realities.

Second. Carry out the detailed engineering and design work. The Agency will make detailed studies of the best locations for the subways, it will design stations and other structures, it will decide what kinds of rolling stock and equipment should be used, and it will make estimates of costs and revenues.

Third. Submit to the President and Congress a transit development program, giving detailed information of the facilities to be built, the kinds of service to be rendered, construction timetables, costs and revenues.

Fourth. Build and operate transit facilities.

The transit development program is to be prepared in consultation with the States of Maryland and Virginia, the local governments of the area, the planning agencies, transit companies, and other interested organizations.

The Agency's program is to be submitted to Congress. The Agency may not carry out any part of the program until Congress has expressly approved such action by legislation. The Agency must also get the approval of the Governors of Maryland and Virginia before it acquires or builds anything in those States.

The Agency, in preparing the transit development program, is to give special consideration to:

First. Improvement of the present transit service, using existing equipment and facilities. In this connection, the bill permits the Public Utilities Commission of the District of Columbia to prohibit further conversion from streetcars to buses, if the Agency finds that there is still a use for streetcars.

Second. Use of the existing railroads to provide commuter service.

Third. Construction of a subway from Union Station through the downtown area, with extensions into the suburbs. The bill prohibits construction of a freeway, or a parkway wider than two lanes, west of 12th Street NW., and north of the inner loop and the highways along the Potomac River, until use of rail transportation to the northwest has had a fair trial.

Fourth. Incorporation of facilities for transit in new highways and bridges. This could include rail transit in the median strips of freeways, special lanes for express buses, and parking space at transit stations.

The transit development program will provide for the creation of an improved transit system in stages. Each stage will be subject to careful consideration by Congress, and each stage will be put into operation and evaluated before the next stage is begun. This will enable Congress to determine from time to time what results are being obtained, and what justification exists for further expenditures.

The Agency will be financed by appropriations. In the first few years, only modest annual appropriations will be needed to pay for engineering and design work and for acquisition of limited rights-of-way. Later, when the Agency is ready to build, some of its money might come from loans from the Treasury.

Finally, the bill authorizes the negotiation of an interstate compact to set up an agency that would replace this one. The compact would be negotiated by Maryland, Virginia, and the District of Columbia, and would have to have the approval of Congress. The Agency so established might deal with other regional problems, such as water supply and sewage disposal, if the compact so provided. The committee has recommended very strongly that the compact solution of the problem constitutes the ideal solution.

Mr. BIBLE. Mr. President, I yield now to the distinguished Senator from Oregon [Mr. MORSE], who is a very valuable member of the committee, as is the Senator from Maryland [Mr. BEALL], both of whom are on the floor. The Senator from Oregon has an amendment he would like to offer. He is pressed for time.

Mr. MORSE. Mr. President, I offer my amendment to the pending bill, identified as amendment L, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 51, it is proposed to insert after line 15 the following, and reletter the remaining subsections:

(b) If the Agency engages in the construction, operation, maintenance, or repair of transit facilities and equipment, the following provisions shall apply to the employees of the Agency engaged in such work, but shall not apply to executive, administrative, or professional employees.

(1) The National Capital Transportation Agency shall bargain collectively with and enter into written contracts with duly authorized labor organizations representing such employees concerning wages, salaries, hours, working conditions and benefits, including, but not limited to, health and welfare, insurance, vacation, holiday, sick leave, seniority, and pension or retirement provisions.

(2) In case of any labor dispute where collective bargaining does not result in agreement, the Agency shall offer to submit such dispute to arbitration by a board composed of three persons, one appointed by the Agency, one appointed by the labor organization representing such employees, and a third member to be agreed upon by the labor organization and the Agency. The member selected by the labor organization and the Agency shall act as Chairman of the Board. The determination of the majority of the Board of Arbitration thus established shall be final and binding on all matters in dispute. If, after a period of ten days from the date of the appointment of the two arbitrators representing the Agency and the labor organization, the third arbitrator has not been selected, then either arbitrator may request the Federal Mediation and Conciliation Service to furnish a list of five persons from which the third arbitrator shall be selected. The arbitrators appointed by the Agency and the labor organization, promptly after the receipt of such list, shall determine by lot the order of elimination and thereafter each shall in that order alternately eliminate one name until only one name remains. The remaining person on the list shall be the third arbitrator. The term "labor dispute" shall be broadly construed and shall include any controversy concerning wages, salaries, hours, working conditions and benefits, including, but not limited to, health and welfare, insurance, vacation, holiday, sick leave, seniority, and pension or retirement provisions, and including any controversy concerning any differences or questions that may arise between the

parties, including but not limited to the making or maintaining of collective bargaining agreements, the terms to be included in such agreements, and the interpretation or application of such collective bargaining agreements, and any grievances that may arise. Each party shall pay one-half of the expenses of such arbitration.

(3) If the Agency acquires an existing transportation system, all of the employees of such transportation system, except executive, administrative or professional employees, shall be transferred to and appointed as employees of the Agency, subject to all the rights and benefits of this Act. Those employees shall be given seniority credit and sick leave, vacation, insurance, health and welfare, holiday and pension or retirement credits in accordance with the records and labor agreements from the acquired transportation system. Members and beneficiaries of any pension or retirement system or other benefits established by the acquired transportation system shall continue to have rights, privileges, benefits, obligations, and status with respect to such established system. The Agency shall assume the obligations of any transportation system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare, insurance, vacation, holiday, seniority, and pension or retirement provisions for employees. It shall assume the provisions of any collective bargaining agreement between such acquired transportation system and the representatives of its employees. The Agency and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary, to have pension trust funds presently under the joint control of the acquired transportation system and the participating employees through their representatives transferred to the trust fund to be established, maintained, and administered jointly by the Agency and the participating employees through their representatives.

All such employees shall be covered by a sound pension and retirement system, adequate to providing for all payments when due under such established system or as it may be modified from time to time by agreement or arbitration. No such employee of any acquired transportation system who is transferred to a position with the Agency shall, by reason of such transfer, be placed in any worse position with respect to workmen's compensation, pension or retirement, seniority, wages, sick leave, vacation, health and welfare, insurance, holiday, or any other benefits than he enjoyed as an employee of such acquired transportation system.

(4) Such employees of the Agency shall, notwithstanding any other provision of law, be subject to the following laws and parts of laws.

(a) Title II of the Social Security Act, as amended, and the related provisions of the Federal Insurance Contributions Act, as amended.

(b) The Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927 (44 Stat. 1424), as amended and extended.

(c) The District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended.

(d) The Federal Unemployment Tax Act (Internal Revenue Code of 1954, chapter 23), as amended.

(e) Section 9 of the Universal Military Training and Service Act (62 Stat. 604), as amended, and related statutes affecting the reemployment rights of persons entering the Armed Forces of the United States.

(f) Section 6 of the Act approved May 10, 1916 (39 Stat. 66, 120), as amended, relating to double salaries.

(g) Section 212 of the Act approved June 30, 1932 (47 Stat. 406), as amended, relating to the retired pay of members of the Armed Forces.

(h) The second sentence of section 2 of the Act approved July 31, 1894 (28 Stat. 205), as amended, relating to dual employment.

(5) Notwithstanding any other provision of law, such employees of the Agency shall not be subject to the following laws:

(a) The Civil Service Act of January 16, 1883 (22 Stat. 403), as amended.

(b) The Federal Employees' Group Life Insurance Act of 1954 (68 Stat. 736), as amended.

(c) The Civil Service Retirement Act of May 29, 1930 (46 Stat. 468), as amended.

(d) The Classification Act of 1949 (63 Stat. 954), as amended.

(e) The Federal Employees Pay Act of 1945 (59 Stat. 295), as amended.

(f) The Annual and Sick Leave Act of 1951 (65 Stat. 679), as amended.

(g) The Act entitled "An Act to provide certain employment benefits for employees of the Federal Government, and for other purposes," approved September 1, 1954 (68 Stat. 1105), as amended.

(h) The Performance Rating Act of 1950, approved September 30, 1950 (64 Stat. 1098).

(i) The Veterans Preference Act of 1944 (58 Stat. 387), as amended.

(6) The District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended (Sec. 46-301, D.C. Code, 1951 ed.) as amended, is hereby further amended by adding the following new paragraph:

"For the purpose of this Act, and notwithstanding the provisions of subparagraph 1(b)(5)(D), the National Capital Transportation Agency shall be deemed to be a covered employer and the employees of said Agency other than executive, administrative, and professional employees shall be deemed to be covered employees."

(7) Section 3306 of the Federal Unemployment Tax Act (Internal Revenue Code of 1954, chapter 23), as amended is hereby further amended, by inserting at the end thereof a new subsection reading as follows:

"EMPLOYEES OF THE NATIONAL CAPITAL TRANSPORTATION AGENCY.—For the purposes of this chapter and notwithstanding the provisions of paragraph (6) of subsection (c) hereof, the term "employment" shall include service in the employ of the National Capital Transportation Agency in other than an executive, administrative, or professional capacity, and the Agency, as employer of individuals whose service constitutes employment by reason of this subsection, is authorized and directed to comply with the provisions of this chapter 23."

(8) EMPLOYEE PROTECTION.—Any such employee of an existing mass transportation system, property, or facility, who is adversely affected by the establishment of new transit operations by the Agency or by a private transit company through contract with the Agency, or by a private transit company conducting new competing transit operations established pursuant to a development plan adopted by the Agency, shall be entitled to employment by the Agency or the private transit company and to the benefits of the protective conditions and provisions provided for under the Burlington formula (as set forth in 257 I.C.C. 700), conditions 1 through 6, inclusive. For purposes of enforcement or protection of rights, privileges, and immunities granted or guaranteed under this section, any employee adversely affected shall be entitled to the same remedies as are provided under the National Labor Relations Act in the case of employees covered by said Act, and the National Labor Relations Board and the courts of the United States (including the court of the District of Columbia) shall have jurisdiction and power to enforce and protect such rights, privileges and immunities in the same manner as in the case of enforcement of the provisions of the National Labor Relations Act.

Mr. MORSE. Mr. President, this amendment is designed to correct a serious omission in the bill before the Senate. I wish to make it very clear, of course, that I voted for the bill in the committee.

I think we are all indebted to the leadership of the Senator from Nevada [Mr. BIBLE] and the Senator from Maryland [Mr. BEALL] as we voted to report the bill from the committee, we did so with the understanding that we reserved to ourselves the right, as always, to offer amendments in the Senate. The problem was raised in the committee, Mr. President. It is true—and I wish to have the RECORD show it—that there were no special hearings on this particular amendment, although the subject matter of what is involved in the amendment has been before the Committee on the District of Columbia for some time.

As I shall show, in 1956 when we set up an operating transit authority in the District of Columbia for the transit lines in the District of Columbia, we covered then the very point I think we ought to cover now in this bill.

Mr. President, the bill would establish an agency with the power to build and to operate transit facilities. In all the argument this afternoon, Mr. President, I wish to stress the word "operate." I wish to point out that this not only is a bill to provide for the building of a transit system, but also it is a bill which carries with it legislative authority to proceed to operate the facilities which are to be built. Therefore I think, Mr. President, that now—the present—is the time for us to lay down in the bill, at, least the broad framework of policies which are going to govern the labor policies affecting the operating personnel of any transit service which may be set up as the result of passage of the bill.

The bill does not make any provision for a personnel system or a labor relations policy appropriate to a transit operating agency. Apparently the personnel of the agency are all to be subject to the same body of laws that apply to the professional and clerical personnel in the Federal departments. This would be an altogether unsatisfactory arrangement.

When the agency reaches the operating stage, it will no doubt employ trainmen, station attendants, ticket sellers, right-of-way crews, repairmen, and many other personnel needed in operating a transit system. A labor force of this kind obviously must be dealt with in a way quite different from most other Federal personnel.

The Senate recognized this fact in 1956, when it was considering a similar proposal. That was Senate bill 3073, 84th Congress, 2d session, establishing a transit authority to replace the Capital Transit Co., whose franchise has been revoked by Congress in the previous session. That bill, as passed by the Senate, exempted the personnel of the transit authority from the Civil Service Act, the Classification Act, and various other acts relating to Federal personnel. That bill also provided that the personnel of the authority be covered by the Social Security Act, the D.C. Unemployment Com-

pensation Act, and other enactments which do not apply to most Federal personnel. The Senate thus recognized that a transit operating agency requires a different type of a personnel system from the ordinary Federal agency.

The amendment before the Senate, following the precedent established in 1956, exempts the operating personnel of the agency, from the following acts, as amended: Civil Service Act of 1883, Federal Employees Group Life Insurance Act of 1954, Civil Service Retirement Act of 1930, Classification Act of 1949, Federal Employees Pay Act of 1945, Annual and Sick Leave Act of 1951, an act to provide certain employment benefits for employees of the Federal Government, approved September 1, 1954, Performance Rating Act of 1950, and Veterans Preference Act of 1944.

The amendment, again following the precedent set by the 1956 bill, provides that the operating personnel of the agency shall be covered by the following acts. We should remember, Mr. President, this would not become applicable until operations were started with an operating system which may be the result of passage of the bill.

Mr. President, today is the day to write into the bill the policy which is to govern, so far as the operating personnel are concerned. I think today is the day we ought to remove any doubt whatsoever from the minds of the operating personnel of the various transit systems which will be involved eventually, after passage of this legislation, as to what is going to happen with respect to the labor relations policy which is to be followed.

I say, most respectfully, the Senate will be "kidding itself"—to use a descriptive term—if it thinks today that the passage of such a bill as this one is not going to start the creation of labor problems in these transit systems. I do not have to tell the Senate how the grapevine works through the labor personnel of an organization.

If the Senate today passes the bill without laying down at least the framework of a labor policy which is going to exist once operating personnel start to be hired by any operating system which may result from passage of such a measure as this, we shall be sowing the seeds today, for labor unrest in the Capital Transit System and in the transit system of every other transit organization which may eventually be involved under the operations of this legislation.

Today is the day to put at rest the fear of the operating personnel who may be eventually involved in regard to any operating transit system which may result from passage of the bill.

Therefore, I say, today is the day to make perfectly clear that the operating personnel shall be covered by the following acts: Title II of the Social Security Act as amended and related provisions of the Federal Insurance Contributions Act; the Longshoremen's and Harbor Workers' Compensation Act of 1927; the District of Columbia Unemployment Compensation Act, as amended; the Federal Unemployment Tax Act, as amended; section 9 of the Universal Military Training and Service Act, as amended; section 6 of the act approved May 10, 1916, relating to double salaries, as amended; section 212 of the act approved June 30, 1932, relating to retired pay of members of the Armed Forces, as amended; and second sentence of section 2 of the act approved July 31, 1894, relating to dual employment, as amended.

Once it is recognized that transit operating personnel require a different kind of a personnel system, it is also obvious that a transit operating agency should follow a labor relations policy appropriate to this kind of an organization. Specifically, there should be statutory provision for collective bargaining and arbitration of disputes.

The transit system of this country, so far as the transit unions are concerned, is one of the leaders in the field of voluntary arbitration. Transit-collective-bargaining agreement after transit-collective-bargaining agreement has written into it voluntary arbitration provisions, and I think it would be a great setback to harmonious relations in the transit industry if the Conrgess in any way should retreat in regard to sound labor policies in the transit industry, no matter what the intention of the Senate is. I know that is not the intention of the committee, because I am a member of the committee.

If we do not underwrite, specifically, an arbitration provision in the bill, we shall raise fears and weaken the standing of some union leaders in some of the transit unions who have done a magnificent job in protecting the arbitration rights of their employees, because the dissident members who are bound to develop in any organization are going to say about their leadership, "Well, why did you not get written into the new law an underwriting again of the principle of voluntary arbitration?" My amendment does so. My amendment would apply if, as, and when an operating system is set up flowing from the law that we hope to pass today.

So I say again that there should be specific statutory provisions, for collective bargaining and arbitration of disputes. Here, again, the Senate's action in 1956 provides a satisfactory precedent. We did it then, why not now? The bill passed by the Senate in that year authorized the transit authority to bargain collectively, and to submit disputes to arbitration. The present amendment requires the agency to bargain collectively, and sets forth a detailed procedure to be followed in the arbitration of disputes.

Finally, it must be recognized that any transit operating agency is likely to offer serious competition to existing transit companies serving the same areas. Or, a transit operating agency might eventually take over an existing company, though that is prohibited in the bill as it now stands. The bill passed by the Senate in 1956 contained detailed provisions safeguarding the employment rights, seniority, retirement rights, and other rights and benefits of employees of the existing transit companies, so that none of them should be placed in a worse situation because of competition from the new transit authority, or acquisition by it. The amendment now before the Senate does the same.

To summarize, this amendment simply provides for a personnel system and a labor relations policy for the new agency, appropriate to a transit operating agency.

I recognize that the Committee on the District of Columbia was aware of this problem, and attempted to meet it by inserting in its report a paragraph calling for enactment by Congress of legislation dealing with collective bargaining, arbitration, and protection of job rights before the new agency reaches the operating stage. This falls far short of meeting the need. The time to deal with these important questions is now, when the operating powers that raise these questions are being enacted.

I wish to stress the fact that today we seek to put legislative sanction upon the creation of the operating powers. We cannot separate from the granting of those powers the responsibility of the Congress at least to lay down the general rules of the game, so to speak, as to what is going to be applicable, so far as a labor relations policy is concerned, to any operating company which develops as a result of the power to create the operating agency encompassed in this bill.

I wish to stress again that unless those fears are removed by enacting the amendment I am offering, in my judgment we shall be creating the seedbed for labor trouble in the transit industry while this particular agency is at work on the proposals or the objectives that the bill calls for. And I favor those objectives.

But I do not like to see a bill for which I have voted become the cause, as I think it would be, of great unrest in the transit industry in the Washington metropolitan area.

Since 1956 we have enjoyed a remarkable period of labor stability in the transit industry in this area, and I think one of the main reasons we have enjoyed such stability is that we had the foresight in 1956 to incorporate into the bill the Senate passed at that time the very doctrines in regard to a sound labor policy which I have outlined this afternoon, and that I am urging be adopted in the pending bill. If this bill were to be enacted in its present form, the transit agency would be free to build and operate facilities without further congressional action, other than the appropriation of funds. It is all very fine to say that eventually the kind of legislation I am talking about this afternoon ought to be adopted. The fact remains that there is nothing in this bill which would prevent an operating agency from going ahead and operating a transit system, and if it did, it would not be bound by any labor policy at all, so far as the bill is concerned. The only possible check, as I point out, would be the check of appropriation.

I have not been in the Senate for 16 years to learn absolutely nothing about what happens when we do not do the job that, at the time, ought to be done.

It is quite all right to put fine-sounding language in the committee report and say that at some time in the future Congress ought to enact legislation, once an operating policy goes into operation, but the interesting thing is that there is nothing to stop that facility from going into operation in the years immediately ahead. It can go into operation on the basis of any labor policy the management may wish to lay down.

I do not think we ought to buy that kind of guarantee of future labor trouble in the transit industry. I do not have to tell Members of the Senate that the transit industry, so far as labor problems are concerned, is a very volatile industry anyway. It does not take much to stop a transit system from operating. When we have the type of labor leadership that we have and the kind of managerial leadership that we now have, I think we ought to take advantage of that joint leadership and we ought to extend, in this bill, the principles that we in the Senate agreed upon in 1956 in respect to the Washington, D.C., transit system.

In essence, that is what my amendment does.

Therefore, the consideration of an appropriation act is hardly the proper occasion for Congress to deal with questions of personnel policy and labor relations.

This amendment is in keeping with the labor policy that has been followed in various Federal operations of an industrial character, such as the Tennessee Valley Authority and the Alaska Railroad.

It is in keeping with the labor policies of the public transit systems that have had the most satisfactory experiences in dealing with their personnel, such as the Chicago and Boston transit authorities. These precedents are described in detail in the testimony of representatives of the transit workers' union in the hearings on S. 3193 held by the Joint Committee on Washington Metropolitan Problems, at pages 152 through 166.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks the language of resolution No. 16 and resolution No. 17, adopted by the Second Convention of the Maryland State and District of Columbia AFL–CIO, at the Sheraton-Park Hotel, Washington, D.C., on November 30, 1959.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY SECOND CONVENTION OF THE MARYLAND STATE AND DISTRICT OF COLUMBIA AFL–CIO, SHERATON PARK HOTEL, WASHINGTON, D.C., NOVEMBER 30, 1959

RESOLUTION NO. 16—TRANSIT COMPACT

Whereas there has been adopted recently by the General Assembly of the State of Maryland a compact, previously adopted by the Virginia General Assembly; and

Whereas this compact has to do with the establishment of a Metropolitan Transit Regulatory Agency governing the flow of passenger and vehicular traffic in the adjoining metropolitan areas of Maryland, Virginia, and the District of Columbia; and

Whereas this compact is now before the Congress of the United States; and

Whereas this compact has been opposed by organized employees affected by this legislation because the compact does not provide for minimal protection of collective bargaining rights long established and minimal security protection; and

Whereas there may be from time to time other compacts of similar nature introduced in the Maryland General Assembly and the Congress of the United States: Therefore be it

Resolved, That this Second Constitutional Convention of the Maryland State and District of Columbia AFL–CIO goes on record as espousing the right of employees to appear before the Maryland General Assembly and the Congress of the United States to present their case; and be it further

Resolved, That if the legislation finally proposed does not contain the minimal employee protection above mentioned, this convention is opposed to the enactment of any such compacts.

RESOLUTION NO. 17—RAPID MASS TRANSIT FACILITIES STUDY

Whereas there has been reported recently to the President of the United States a study concerning the building of highways and the planning of enlarged mass transportation facilities for the residents of the Washington, D.C., metropolitan area; and

Whereas this study has been referred to a joint committee of the Congress of the United States; and

Whereas it may be, in part, introduced before the Maryland General Assembly; and

Whereas this study has as its objective the establishment of rapid transit facilities for the residents of the region by bus and by rail; and

Whereas the emphasis of the study appears to be upon the establishment of governmental agencies to own and to operate such rapid transit facilities: Therefore be it

Resolved, That this Second Constitutional Convention of the Maryland State and District of Columbia AFL–CIO goes on record as requesting the appropriate authorities and legislative bodies that organized labor be given a voice before, and an opportunity to serve on, the study commissions, committees, agencies, and other such bodies in order that the workers of the communities affected may be represented in such matters; and be it further

Resolved, That this convention be on record as endorsing the general proposal of regional planning for redevelopment and mass transit facilities on an area or regional basis, giving private enterprise opportunity to achieve such programs as set forth by the Congress; and that the convention further endorses the establishment of governmental agencies to provide mass rapid transit services wherever and whenever enterprise fails to accomplish the necessary goals.

Mr. MORSE. Mr. President, the language of resolution 17 bears directly upon the warning I am trying to give the Senate this afternoon. It bears directly upon the point that I make, that now is the time to put language in the bill which will guarantee stable labor relations in the future. The AFL–CIO has served clear notice on Congress of the position it is going to take in regard to labor policies in the transit industry. It has the obligation to its membership to fight for this policy. We ought to get ahead of them by enacting these sound principles of labor policy this afternoon. I respectfully say that it will make no difference how long we debate this subject or how long we consider it, the fact is that we will have to come back to the same conclusion that we reached in 1956 in regard to this matter.

In further support of the position I take and as an evidence of the high regard in which all members of the Committee on the District of Columbia hold Mr. Walter J. Bierwagen, president of Local Division 689, Amalgamated Association of Street, Electric Railway, & Motor Coach Employees of America, AFL–CIO, and vice president of the International Amalgamated Association of Street, Electric Railway & Motor Coach Employees of America, AFL–CIO, and of the reasonableness which he has demonstrated with reference not only to the interest of the transit workers but also the interest of the public, and the very careful concern on the part of his union, I ask unanimous consent that his statement, as a witness before the committee on this subject, be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WALTER J. BIERWAGEN, PRESIDENT, AMALGAMATED ASSOCIATION OF STREET, ELECTRIC RAILWAY, & MOTOR COACH EMPLOYEES OF AMERICA, AFL–CIO, ACCOMPANIED BY HERMAN STERNSTEIN, COUNSEL

Mr. BIERWAGEN. Mr. Chairman, my name is Walter J. Bierwagen. I am president and business agent of Local Division 689, Amalgamated Association of Street, Electric Railway, & Motor Coach Employees of America, AFL–CIO. Local division 689 represents the operating and maintenance employees of the D.C. Transit System, Inc. Our organization was chartered in 1916, and has been representing the employees of the Washington transit system since that time. There are approximately 3,000 employees of the D.C. Transit System, Inc.

I am also a vice president of the International Amalgamated Association of Street, Electric Railway, & Motor Coach Employees of America, AFL–CIO, whose local divisions in this area are the collective bargaining representatives of the approximately 1,000 employees of other transit employers in this area, including the Alexandria, Barcroft & Washington Co., and the Washington, Virginia & Maryland Co.

These employees constitute the overwhelming majority of the employees who would be affected by the legislation before this committee.

These employees have a very real interest in this legislation because it concerns their livelihoods and the health and well-being of their families as well as their own.

They are responsible people; men who have devoted, in many instances, a substantial part of their lives to providing urban transit service in the Washington metropolitan area. On their behalf I want at the outset to express my appreciation to this committee for the opportunity to be heard.

The members of our organization are citizens and residents of the communities which make up the Washington metropolitan area, and as such have a vital interest in plans for the future of mass transportation in the National Capital region.

As citizens and residents we endorse the general proposal of regional planning for mass transit facilities on an area or regional basis, and support the formation of the necessary regional organization to implement the mass transportation survey report and the planning of an integrated mass transit system.

We believe, as we have previously told this committee, that there are still too few people in this area who recognize that the mass transportation system of a community is one of its great assets.

I am much afraid that too few of our citizens and neighbors understand that a larger role for mass transportation must be

an integral part of any sound plan for the growth and development of the National Capital region. We heartily support the declared policy of the bills before you that an improved transportation system for the National Capital region is essential for the continued and effective performance of the functions of the Government of the United States and of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital. We agree that city planners in the past have placed too much emphasis on the private automobile as a method of transporting people, and too little on maintaining, improving, promoting, and extending our mass transportation system. We believe that the improvement of our mass transportation system requires coordination with other public facilities and with the use of land, public and private.

Our members are also, of course, the employees of the major mass transportation system in the area, and it is primarily wearing that hat that I appear before you today.

I want to discuss with you the omissions of the proposed legislation and its failures from the point of view of labor relations. I am sure that this joint committee is aware that the legislation before it is very complex and that it is appropriate to consider a veritable horde of interests in determining whether and what bill should be enacted.

I am sure that the many expert witnesses who are testifying before this committee are better able than I to discuss many of the other very important issues involved in enacting such a bill. My testimony is concerned only with that area of which I myself have some real knowledge, the labor aspects of the bill.

It is perhaps appropriate to suggest at this point that problems are not avoided by not dealing with them, in not facing them. Yet this is precisely what has been done in the preparation of the bills before you. The fact that labor problems may be involved has previously been brought to the attention of the drafters of the legislation. No effort, however, has been made to deal with the subject.

I should like also to call to your attention the fact that in all of the publicity with respect to S. 3193, and its companion bill, H.R. 11135, the notion is prevalent that the National Capital Transportation Agency created by the bill is temporary in nature, and its sole purpose is to initiate the detailed programing and development of the transportation system pending the creation of an appropriate agency in which is vested the function of operating.

Despite these statements the simple fact is that section 205 authorizes that agency to operate all facilities acquired or constructed by it, and provides that the Agency may enter into agreements with Government agencies, private transit companies, railroads, or other persons for the operation of its facilities, the use of its operating rights, or the provision of transit service making use of other facilities and operating rights.

This authority to operate is limited in that the Agency is not authorized to acquire the facilities, property, or rights-of-way of private transit companies and persons, nor is it authorized to operate buses or similar motor vehicles, or make arrangements for the provision of such services.

Frankly I'm not sure I know what it is intended that the Agency shall operate. If indeed the intention is that the Agency shall not have authority to operate, I can't see why authority to operate is specifically given it. If, on the other hand, the authority to operate which is given the Agency is meaningful, even though couched in these ambiguous terms, it could seem to me important that the Congress consider the labor relations problems which will necessarily be involved.

The National Capital Transportation Corporation established by title III is not to be created if the tristate proprietary agency described in title IV has taken over. The corporation is not, however, temporary in nature. The limitations on the authority of the National Capital Transportation Agency to acquire and operate transit facilities of specific nature are not applicable to the Corporation. The Corporation's authority to operate facilities is unlimited.

The bills before you ignore the collective bargaining history of transit in this city, the labor policy of the United States, and the experience of other cities and communities.

1. THE COLLECTIVE BARGAINING HISTORY OF TRANSIT IN THIS CITY

During the 33 years prior to the time, in 1949, that the Wolfson interests took over Capital Transit, division 689 and Capital Transit and its predecessors maintained a fine collective bargaining relationship. Between 1916, when a brief strike to obtain recognition took place, and 1951, a period of 35 years, only one strike occurred. That took place in 1945 immediately after the war, and it lasted only 3 days. Our disputes during that period were handled through negotiation of arbitration, and the community benefited as well as the company and the workers from this long period of industrial peace.

With the advent of the Wolfson group there was a substantial change. The company boldly overthrew the longstanding policy of arbitration of unsettled disputes. In 1951 a 3-day strike resulted when the company refused to arbitrate a dispute over contract changes. As you well know, in 1955 the company's refusal to arbitrate forced a 52-day strike and ultimately the company's franchise was revoked.

With the lessons of that experience bright in our minds and in the minds of the community, when Mr. Chalk took over the local transit system, our union insisted upon writing into the contract a clear and all-inclusive requirement of arbitration of any unsettled disputes between the parties.

Both Mr. Chalk and the union have regarded this clause as a guarantee of uninterrupted service to this community. That clause provides that whenever either party requests changes in the existing collective bargaining agreement or requests termination of all or any part of the agreement, and if negotiations fail to result in an agreement between the parties, then and in that event all issues in dispute are submitted to a board of arbitration on the written demand of either party.

The findings of a majority of such a board of arbitration are final and binding on the employer and on the union. During the arbitration proceeding all conditions in the contract remain undisturbed. The parties also agree that during the period covered by the agreement service upon and operation of the lines of the company will not be interrupted or interfered with by either party. There has been no strike or threat of a strike since this clause was adopted.

I have reviewed this history because I believe it contains a useful lesson in the planning of mass transportation facilities for the Washington metropolitan area. The Wolfson era was an unhappy one for our community, and for the company, and for its employees. Placed side by side, the use of collective bargaining and arbitration by the Chalk interests and the pre-Wolfson owners, contrasts sharply with the Wolfson era.

2. THE LABOR POLICY OF THE UNITED STATES

The national labor policy is based upon collective bargaining as its foundation. The Labor-Management Relations Act, 1947, familiarly known as the Taft-Hartley Act, states:

"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

The Railway Labor Act, which provides the procedures for handling labor disputes on railroads and airlines, industries with problems closely related to those of local transit, is likewise firmly based on a foundation of collective bargaining. That act requires the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions through collective bargaining, and also contains provisions designed to encourage the process of voluntary arbitration.

The development of collective bargaining and arbitration in the transit industry is no accident. That development has been responsive to the special needs of the industry. Transit is an industry which provides an essential public service. Orderly procedures are necessary, therefore, in the same fashion as they are necessary in railroad and airline transportation where the Federal Government has established a special system for collective bargaining, mediation, and arbitration.

The transit industry is unique in its operations and in many of the conditions of employment. The transit employee's job is distinctly different from that of a typical Government worker whose wages, hours, and working conditions are established with some degree of uniformity by civil service regulations and congressional action.

Collective bargaining has been used to solve in an equitable, orderly, and effective manner the problems peculiar to the transit industry. Experience has shown that except through collective bargaining the process of wage determinattion in the transit industry cannot be handled successfully.

In the first place, in establishing wage rates for any dominant city transit system the wage rates must be compared with those paid employees in other comparable cities since there is only one dominant city transit system in a particular area. Collective bargaining has recognized in general in the transit industry that the employees in transit are entitled to keep in step with the progress of workers in the Nation as a whole, in their own community, and in comparable transit systems elsewhere in the industry.

These standards are not susceptible of simple arithmetical application. Nor is unilateral application of such standards by either public or private managements feasible or appropriate. These standards also can only be applied fairly through collective bargaining conducted intelligently by experienced negotiators who are familiar with the industry and its problems.

3. TRANSIT EXPERIENCE IN OTHER CITIES AND COMMUNITIES

When it comes to public operation, moreover, we do not write on a clean slate. A substantial number of our larger cities today operate publicly owned transit systems either directly or through an authority established for that purpose.

Chicago, New York, Boston, Cleveland, Los Angeles, Detroit, San Francisco, and Seattle are among those which now operate transit systems. In nearly all of these cities collective bargaining and arbitration in some form or other have been accepted as the best method for resolving unsettled disputes.

Perhaps the most successful of these procedures have been those used in Chicago and Boston. These cities took over public operation of their transit systems in 1947. There have been no transit strikes since they started public operations. Their problems have been resolved either in negotiations or in arbitration. They have recognized that when private operation becomes public operation the systems of collective bargaining and arbitration, developed during private operation, must be continued.

The procedures which are used in these cities have insured industrial peace and continuous transit operation.

The lessons of experience have been drawn upon in the adoption of the most recent State statute which deals with public operation of transit systems. Governor Lawrence of Pennsylvania, on October 8, 1959, signed into law House Bill No. 1297, which contemplates the public operation of mass transportation systems in counties of the second class in that State. This will have particular application to the Allegheny County area, which includes, of course, Pittsburgh. A port authority is established which will have functions with reference to the operation of mass transportation systems somewhat similar to those contemplated here. That Pennsylvania statute makes collective bargaining and binding arbitration the foundation of the labor relations policies of the State.

The authority there created is required by law to assume the obligations of existing collective-bargaining agreements, to deal with the union, or unions, which represent the employees, to take steps to have existing pension trust funds transferred to a trust fund to be established and administered jointly by the authority and the participating employees where that is presently the case.

The employee's seniority and other rights and benefits are protected. The authority is required to take over as its employees any employees necessary for the operation of the transit system. The authority is also required to bargain collectively and to arbitrate.

Where public ownership or operation has not been accompanied by provisions for collective bargaining and arbitration, the results have been serious and unfortunate. As I have already stated, labor relations problems in this complicated industry do not cease when the Government takes over the transit system.

If, however, collective bargaining and arbitration are not adopted, there is apt to be a transfer from the collective-bargaining process to the area of political maneuvering. The New York Transit Authority is a good illustration. Proposals for changes in wages and working conditions in New York become a political problem and one which the mayor of the city normally must get into in one way or another. Strikes and threats of strikes have, in fact, taken place in New York City.

We believe the people of the National Capital region and transit managements would agree that labor relations problems should not be handled by political pressures. If no satisfactory procedures are provided by statute, labor relations problems may very well become an everyday burden for the Senate and House District Committees.

Unfortunately the drafters of the bills before you have not drawn any lessons from congressional consideration concerning the establishment of a transit authority. Such consideration was given as recently as 1956 when the revocation of the Capital Transit Co. franchise presented Congress with the problem of insuring transit service in the District of Columbia after August 14, 1956.

Ultimately the problem was resolved by granting the franchise to D.C. Transit System, Inc. Much of what I have said here I said before the Senate District Committee at the time proposed legislation establishing a transit authority was before that committee.

The Senate bill, S. 3073, would have established a transit authority. That bill passed the Senate. As it passed the Senate it provided for collective bargaining and arbitration. It provided for the protection of seniority rights and pension and other benefits. It also provided for the taking over of the employees of the operating and maintenance divisions of the acquired transit system to the extent required for the operation of the system, and granted for a period of 1 year top priority for employment for those not needed and not taken over at the time of transfer, and preserved the seniority rights of such employees. It preserved existing retirement and pension benefits and required the authority to establish a sound pension and retirement system.

It required the transfer of pension trust funds then under joint control of the transit company and the employees to the authority to be administered jointly by the authority and the employees through their representatives. The bill continued the employees under the Social Security Act, and under the Longshoremen and Harbor Workers' Compensation Act, among others. I have had the provisions of section 210 of S. 3073 reproduced and appended to this statement (app. A).

These illustrations of the experience in the transit industry should be determinative here in providing for labor relations under any proposed transit authority. Washington is one of the great American cities. Its transportation problems are problems which are common to all American cities. That the transit authority as proposed would be a Federal corporation is not material or relevant.

It should be pointed out, however, that the use of collective bargaining and arbitration by Federal agencies has persuasive precedents. We also call to your attention the departmental manual of the Department of the Interior. Provision is made for election of employee representatives in appropriate bargaining units. Provision is also made for collective bargaining and for arbitration. Under this manual, and its predecessor policy memorandum, many collective bargaining agreements have been negotiated. The Bureau of Reclamation, region 7, has made such an agreement with the International Brotherhood of Electrical Workers Local No. 1759. Section 9.4 of that agreement provides:

"When agreement is not reached in direct negotiation upon any matter which is or may be the subject of direct negotiation between the union and the region, such as the determination of rates of pay or modifications and revisions in this agreement, either party may invoke the services of a mediator who shall be the joint selection of both parties from a panel of five suitable persons previously agreed to by the union and the region, said panel to be designated as soon as possible after this agreement becomes effective. The mediator shall use his best efforts to bring the parties to an agreement by mediation.

If such efforts to bring about an agreement through mediation are not successful, the union and the region shall submit their controversy to arbitration and each of the parties shall appoint an arbitrator, and those two arbitrators shall, with the help of the mediator endeavor within 5 days to agree upon a third arbitrator. If the parties are unable to agree upon an arbitrator the mediator shall then appoint such arbitrator. The decision of the majority of said arbitrators shall be submitted to the Secretary and when approved by him, shall be final and binding on both parties."

Other bureaus and subordinate agencies of the Department of the Interior have made similar agreements through collective bargaining, usually including arbitration. The Alaska Railroad, for example, has agreements with many of the standard railway labor organizations.

The Bonneville Power Administration and Tennessee Valley Authority made collective bargaining agreements with many organizations. Thus the general agreement between the Tennessee Valley Authority and the Tennessee Valley Trades and Labor Council covering hourly employees provides for collective bargaining and arbitration.

Illustrative clauses are:

"VII. GRIEVANCE ADJUSTMENT PROCEDURE

"The procedure for adjusting grievances shall provide the employee with full opportunity for the presentation of his grievance and for the participation of union representatives. Provision shall also be made for appeal from the final decision of TVA to an impartial referee.

* * * *

"XIV. PROCEDURE FOR REVISING SUPPLEMENTARY SCHEDULES, INCLUDING MEDIATION AND VOLUNTARY ARBITRATION

"1. Rates of pay, hours of work, other working conditions, and other negotiated understandings established under this agreement shall be in the form of supplementary schedules attached hereto. Such schedules relating to matters other than the determination of rates of pay may be amended in joint conference called upon 30 days' notice of either party by the other after they have been in effect for 1 year. If, however, agreement in such joint conference is not reached, either party may invoke the services of a mediator. The mediator shall be the joint selection of both parties from a panel of five suitable persons previously agreed to by the council and TVA. The compensation and expenses of such mediator shall be borne jointly by TVA and the council.

"A mediator so selected shall use his best efforts by mediation to bring the parties to an agreement. If such efforts to bring about an amicable settlement through mediation are unsuccessful, the said mediator shall at once endeavor to induce the council and TVA to submit their controversy to arbitration.

"2. If arbitration is agreed to, the parties shall each appoint an arbitrator, and the third arbitrator shall be designated by the mediator. The decision of a majority of said arbitrators shall be final and binding on both parties. The expenses of arbitration shall be borne equally by TVA and the council. If arbitration, after being proposed by the mediator or by either party, is not accepted within 10 days, the mediator shall notify both the council and TVA to that effect, and no modification or termination of any provision of any of these schedules shall be made by either party for a period of 30 days from expiration of said 10-day period."

We have merely outlined for you the basic facts concerning labor relations on transit systems, public and private. We would be glad to furnish more factual data if requested.

The employees I represent are just as interested as the governmental agencies, the Congress, and the people of the National Capital region in efficient and continuous transit service.

We have tried to place before your committee the results of our experience, not only here in Washington, but in other large-, small-, and medium-sized cities throughout the United States, both under public and private operation.

Our international union has always endorsed the principles of voluntary arbitration. Its constitution is unique in that no strike will be approved unless and until the

local division has offered and the employer has rejected arbitration.

More than 60 years of experience are the basis for the conclusion of this union that the labor problems in the transit industry are best solved through collective bargaining accompanied by arbitration of disputes which cannot be directly settled.

Many private managements have reached the same conclusion as have the employees. Their joint conclusions have frequently been written into labor agreements, or have been expressed through the utilization of arbitration where the agreement does not expressly call for arbitration.

Public authorities have drawn upon experience where transit operations have been taken over by public agencies and they have adopted substantially the same machinery for settling labor disputes. Their experience, too, demonstrates that under public ownership and operation collective bargaining and arbitration are essential to the continuity and efficiency of transit operations.

The Federal Government itself has provided collective bargaining machinery and arbitration procedures in other activities analogous to transit operations.

There can be no justification for the failure to adopt here the lessons of experience. It would be contrary to the best interests of the public, of the management of the transit authority, and of the employees to fail to establish a sound basis for labor relations in the transit operations which a Federal corporation may be called upon to undertake.

Moreover, if Congress were now to fail to approve collective bargaining and arbitration in the proposed transit operation there would be an adverse effect throughout the United States upon the continuation and development of these processes for handling transit labor problems.

It is imperative that the bills before you be amended to provide for collective bargaining and arbitration between the transit operating agency and the representatives of its employees.

As has been stated above, the operating agency should be required to take over the employees of any transit system it acquires; should be required to take over the collective bargaining agreement and to observe the practices in connection therewith which have been followed by the acquired transit system.

It should also be required to provide the benefits enjoyed by such employees at the time of acquisition. In addition, the employees should not be deprived of statutory benefits which they presently enjoy.

It would be most unfair to deprive those employees of their social security, unemployment compensation, and workmen's compensation benefits. The bills contain no provision for saving these benefits for the employees; accordingly, those employees who are not permanently insured under the Social Security Act may lose the benefits of the contributions they and their employers have made, and others would have the amount of their benefits seriously diluted.

When Congress enacted the Social Security Amendments of 1950 it took cognizance of the inequity that was done by the transfer of private transit systems to public operation after the enactment of the Social Security Act and prior to 1951. (Sec. 210(1) of the Social Security Act, added by sec. 104(a) of the 1950 amendments.)

Those amendments provided for mandatory coverage of the employees of most such systems. In other words, in the case of transit systems such as Chicago and Boston which had been privately operated prior to the enactment of the Social Security Act, but which came under public operation subsequently, the amendment required that in most instances the employees continue to be covered under social security, and their employers and employees were required to continue to make contributions thereunder.

Similar considerations are applicable here not only to social security but also to other beneficial legislation such as workmen's compensation and unemployment compensation.

S. 3073 recognized these principles and provided that laws such as the above should be applicable to the employees of the agency.

Moreover, the employees should not be subject to the Civil Service Retirement Act, the Civil Service Act of January 16, 1883, and the Classifications Act of 1949.

There is another situation which has not been contemplated by the bills. It may be that the new rail transit lines for example would be operated by employees of the Federal agency while the rest of the transportation system would be operated by the private companies now operating them. Such newly hired employees of the Federal agency should, of course, be granted the right to self-organization and the right to bargain collectively through representatives of their own choosing. Election machinery should be established for the selection of bargaining representatives and the agency should be mandated to bargain with the certified collective bargaining representative of the employees.

These are not the only respects, however, in which the proposed legislation is deficient in its protection of employees. It seems clear that the building of new rapid transit lines and new freeways and parkways on which express buses will operate will divert passengers from existing operations of D.C. Transit as well as other transit companies operating in the area.

Some employees will inevitably be displaced as a result of such diversion of passengers. Equity demands that employees adversely affected be granted protection against losses which are no fault of their own.

Consequently, we recommend that any employees adversely affected: (1) be entitled to employment by the Agency or any private operator of the new service, the operation of which has adversely affected the employee; and (2) that such adversely affected employee, for a period of 4 years from the date of the adverse effect upon him, not be placed in any worse position with respect to his employment. For example, he should be entitled to compensation during the protective period for the difference between what he earns in his new employment and what he would have earned had he been continued in the employment from which he was displaced.

Similarly, he should not be placed in any worse position with respect to rules governing his working conditions.

Nor should he be deprived of benefits relating to this prior employment such as free transportation, pensions, hospitalization and so forth to the extent such benefits continue to be accorded other employees of his original employer.

He should be entitled to compensation for any necessary moving expenses and for any loss resulting from sale of his home at less than fair value or under any contract to purchase a home and should be saved harmless against loss in obtaining a cancellation of any unexpired lease. These principles of employee protection have precedents in mergers and consolidations on the railroads and airlines, and they should be applied to this kind of situation, too.

Section 204(b) provides that the Agency shall submit its transit development program to the Governors of Maryland and Virginia, to the governing bodies of the District of Columbia, the adjacent cities and counties and the transit regulatory bodies, to certain organizations of government agencies or officials, to the Commission of Fine Arts, and to private transit companies. We respectfully suggest that such programs should also be submitted to labor leaders in the community, particularly labor leaders in the transit industry.

I have prepared in appropriate language, provisions which are appropriate for addition to the present bills, which will incorporate the suggestions that I have here made. These are appended to my statements as appendix B.

The proposed amendments would provide briefly, section 1, for instance, on appendix B, would provide that the National Capital Transportation Agency shall bargain collectively and enter into written contracts.

Section 2 would require that such Agency would submit disputes to arbitration, which would be final and binding.

Section 3 would provide that all of the employees of such a transportation system shall be transferred and appointed as employees of the Agency. And that these employees will be protected by the continuation of any pension or retirement system, and continue to have the rights and assume the obligations of any transportation system acquired by it with respect to any wages, salaries, hours, and working conditions, and so forth.

Section 4. The employees of the agency or corporation—this I shall read in full—"notwithstanding any other provisions of the law shall be subject to the following laws and parts of laws:

"(a) Title II of the Social Security Act, as amended, and the related provisions of the Federal Insurance Contributions Act, as amended.

"(b) The Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927 (44 Stat. 1424), as amended and extended.

"(c) The District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended.

"(d) The Federal Unemployment Tax Act (Internal Revenue Code of 1954, ch. 23), as amended.

"(3) Section 9 of the Universal Military Training and Service Act (62 Stat. 604), as amended, and related statutes affecting the reemployment rights of persons entering the Armed Forces of the United States.

"(4) Section y of the act approved May 10, 1916 (39 Stat. 66, 120), as amended, relating to double salaries.

"(g) Section 212 of the act approved June 30, 1932 (47 Stat. 408), as amended, relating to the retired pay of members of the Armed Forces.

"(h) The second sentence of section 2 of the act approved July 31, 1894 (29 Stat. 205), as amended, relating to dual employment."

Section 5 of the proposal provides that many laws applying to civil service shall not be applicable.

Section 6. Our proposals would provide that to amend the District of Columbia Unemployment Compensation Act, and be made applicable to the employees here. And that section 7, the Federal Unemployment Tax Act be made applicable in this particular instance. Section 8 would provide employee protection.

This is our formal presentation, Mr. Chairman, and I want to thank you for being given the opportunity to be heard.

Vice Chairman McMillan. I thank you for coming here and giving us proposed opinion on this proposed legislation and I wonder if you would like to identify the gentleman.

Mr. Bierwagen. Mr. Sternstein is counsel for the union.

Vice Chairman McMillan. Would you care to make an additional statement?

Mr. Sternstein. No, Mr. Chairman, I have no additional statement here.

Mr. McMillan. Mr. Foley.

Representative Foley. Mr. Chairman, I would like to comment that these are important substantive proposals that rank on a level with the proposals that were submitted yesterday by representatives of the private transit companies of the metropolitan area and being, of course, of such great

importance, I am sure that the joint committee is going to study them very carefully and give them the very fine consideration that you have with all other proposals submitted. I have no further question.

Vice Chairman McMILLAN. Thank you very much, Mr. Bierwagen.

APPENDIX A

S. 3073, 84TH CONGRESS, 2D SESSION

* * * * *

SEC. 210. (a) The Board shall establish a system of organization to fix responsibility and promote efficiency; establish such positions as may be necessary to perform the business of the Authority; define the duties of such positions; fix the rates of pay therefor; make appointments thereto; and require bonds to be given by the incumbents of such of the said positions as the Board, in its discretion, may determine, and the Board may make provision for the payment by the Authority of the premiums for such bonds for such periods as the Board may consider desirable. The Board shall establish a personnel system independent of the Federal civil service system and the personnel systems governing employment in the municipal government of the District of Columbia, and shall make and promulgate rules and regulations governing the conditions of employment of such personnel as may be employed by the Authority, including, but not limited to, the selection, appointment, reemployment, promotion, demotion, suspension, and dismissal of such personnel according to merit and fitness and without regard to political, religious, or racial considerations; the fixing of pay and hours of employment; the establishment of an employee grievance procedure; and the establishment of leave, welfare, and pension privileges, subject to the provisions of any collective bargaining agreement then in effect or thereafter adopted.

The Authority shall have the power to bargain collectively with and enter into written contracts with the employees of the Authority through accredited representatives of such employees or representatives of any labor organization authorized to act for such employees concerning wages, salaries, hours, working conditions, health and welfare, insurance and pension or retirement provisions: *Provided*, That nothing herein shall be construed to permit hours of labor in excess of those provided by law or to permit working conditions prohibited by law. In case of dispute over wages, salaries, hours, working conditions, health and welfare, insurance or pension or retirement provisions where collective bargaining and mediation do not result in agreement, the Authority may agree to submit such dispute to a tripartite board of arbitration and shall agree with such accredited representatives or labor organization that the decision of a majority of any such arbitration board shall be final and binding. Each party shall agree in advance to pay half of the expense of such arbitration.

(b) If the Authority acquires a transportation system in operation by a public utility, all of the employees in the operating and maintenance divisions of such transit utility and all other employees except corporate officers with less than 10 years' service shall be offered transfer and appointment as employees of the Authority up to the maximum number of employees required, subject to all rights and benefits of this Act, and these employees shall be given seniority credit in accordance with the records and labor agreements of the transit utility. Any person employed by such transit utility who is not, at the time the Authority acquires such utility, offered transfer and appointment as an employee of the Authority shall, for a period ending August 14, 1958, have a right of seniority for purposes of employment and employment benefits under the Authority in a position comparable to the position he last occupied while employed by such transit utility or in any other position the duties of which he is qualified to perform, in accordance with any collective bargaining agreement then in effect. Employees who left the employ of such transit utility to enter the military service of the United States shall have the same rights as to the Authority, under the provisions of the "Universal Military Training and Service Act," as amended, as they would have had thereunder as to such transit utility. Members and beneficiaries of any pension or retirement system or other benefits established by that transit utility shall continue to have the rights, privileges, benefits, obligations, and status with respect to such established system. There shall be established and maintained by the Authority a sound pension and retirement system adequate to provide for all payments when due under such established system or as it may be modified from time to time by agreement or arbitration. The Authority and the employees through their representatives for collective bargaining purposes shall take whatever action may be necessary to have the pension trust funds, presently under the joint agreement or arbitration. The Authority and the employees through their representatives, transferred to the trust fund to be established, maintained, and administered jointly by the Authority and the participating employees through their representatives. Provision shall be made by the Authority for all officers and employees of the Authority appointed pursuant to this Act to become, subject to reasonable rules and regulations, members or beneficiaries of the pension or retirement system with uniform rights, privileges, obligations, and status as to the class in which such officers and employees belong. The terms, conditions, and provisions of any pension or retirement system or of any amendment or modification thereof affecting employees who are members of any labor organization may be established, amended, or modified by agreement or arbitration with such labor organization.

(c) The employees of the Authority shall, notwithstanding any other provision of law, be subject to the following laws and parts of laws:

(1) Section 9 of the Universal Military Training and Service Act (62 Stat. 604), as amended (50 U.S.C. App., sec. 451 and the following), and related statutes affecting the reemployment rights of persons entering the Armed Forces of the United States:

(2) Title II of the Social Security Act, as amended, and the related provisions of the Federal Insurance Contributions Act (Internal Revenue Code of 1954, ch. 21), as amended;

(3) Section 6 of the act approved May 10, 1916 (39 Stat. 66, 120), as amended (5 U.S.C., secs. 58 and 59), relating to double salaries;

(4) Section 212 of the act approved June 30, 1932 (47 Stat. 406), as amended (5 U.S.C., sec. 50a), relating to the retired pay of members of the Armed Forces;

(5) The second sentence of section 2 of the act approved July 31, 1894 (28 Stat. 205), as amended (5 U.S.C., sec. 62), relating to dual employment;

(6) The Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927 (44 Stat. 1424), as amended and extended (33 U.S.C., secs. 901–945, 947–950; title 36, chapter 5, D.C. Code, 1951 edition);

(7) The District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended;

(8) The Federal Unemployment Tax Act (Internal Revenue Code of 1954, ch. 23), as amended.

(d) Notwithstanding any other provision of law, the employees of the Authority shall not be subject to the following laws:

(1) The Civil Service Act of January 16, 1883 (22 Stat. 403), as amended;

(2) The Federal Employees' Group Life Insurance Act of 1954 (68 Stat. 736), as amended;

(3) The Civil Service Retirement Act of May 29, 1930 (46 Stat. 468), as amended;

(4) The Classification Act of 1949 (63 Stat. 954), as amended;

(5) The Federal Employees Pay Act of 1945 (59 Stat. 295), as amended;

(6) The Annual and Sick Leave Act of 1951 (65 Stat. 679), as amended;

(7) The act entitled "An act to provide certain employment benefits for employees of the Federal Government, and for other purposes," approved September 1, 1954 (68 Stat. 1105), as amended;

(8) The Performance Rating Act of 1950, approved September 30, 1950 (64 Stat. 1098);

(9) The Veterans' Preference Act of 1944 (58 Stat. 387), as amended.

(e)(1) Subparagraph 1(b)(5)(E) of the District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended (section 46–301, D.C. Code, 1951 edition) is amended by inserting immediately before the semicolon at the end thereof the following: ": *And provided further*, That this subparagraph (E) shall not apply to the employees of the Washington Metropolitan Transit Authority, which for the purposes of this Act shall be deemed to be a covered employer."

(2) Section 3306 of the Federal Unemployment Tax Act (Internal Revenue Code of 1954, ch. 23), as amended, is amended by inserting at the end thereof a new subsection "(o)" reading as follows:

"(o) EMPLOYEES OF THE WASHINGTON METROPOLITAN TRANSIT AUTHORITY.—For the purposes of this chapter, and notwithstanding the provisions of paragraph (7) of subsection (c) hereof, the term 'employment' shall include service in the employ of the Washington Metropolitan Transit Authority, and the Board of Directors of such Authority, as the employer of individuals whose service constitutes employment by reason of this subsection, is authorized and directed to comply with the provisions of this chapter 23."

(f) The Authority is authorized to borrow, and the United States Government or any department or agency thereof and the municipal government of the District of Columbia are authorized to lend to the Authority, the services of United States or District of Columbia employees. The Authority shall reimburse the United States or the District of Columbia for such services. Any such reimbursement shall be credited to the appropriation from which is paid the compensation of any person whose services may be borrowed by the Authority.

(g) As used in subsections (c) and (d) of this section, the word "employees" includes officers, but does not include members of the Board of Directors.

APPENDIX B

LABOR PROVISIONS

SECTION 1. The National Capital Transportation Agency and National Capital Transportation Corporation shall bargain collectively with and enter into written contracts with duly authorized labor organizations representing employees of the Agency or Corporation concerning wages, salaries, hours, working conditions and benefits, including, but not limited to, health and welfare, insurance, vacation, holiday, sick leave, seniority, and pension or retirement provisions.

SEC. 2. In case of any labor dispute where collective bargaining does not result in agreement, the Agency or Corporation shall offer to submit such dispute to arbitration by a board composed of three persons, one appointed by the Agency or Corporation, one appointed by the labor organization representing the employees, and a third member to be agreed upon by the labor organization and the Agency or Corporation. The mem-

ber selected by the labor organization and the Agency or Corporation shall act as chairman of the board. The determination of the majority of the board of arbitration thus established shall be final and binding on all matters in dispute. If, after a period of ten (10) days from the date of the appointment of the two (2) arbitrators representing the Agency or Corporation and the labor organization, the third arbitrator has not been selected, then either arbitrator may request the Federal Mediation and Conciliation Service to furnish a list of five (5) persons from which the third arbitrator shall be selected. The arbitrators appointed by the Agency or Corporation and the labor organization, promptly after the receipt of such list, shall determine by lot the order of elimination and thereafter each shall in that order alternately eliminate one (1) name until only one name remains. The remaining person on the list shall be the third arbitrator. The term "labor dispute" shall be broadly construed and shall include any controversy concerning wages, salaries, hours, working conditions and benefits, including, but not limited to, health and welfare, insurance, vacation, holiday, sick leave, seniority, and pension or retirement provisions, and including any controversy concerning any differences or questions that may arise between the parties, including but not limited to the making or maintaining of collective bargaining agreements, the terms to be included in such agreements, and the interpretation or application of such collective bargaining agreements, and any grievances that may arise. Each party shall pay one-half of the expenses of such arbitration.

SEC. 3. If the Agency or Corporation acquires an existing transportation system, all of the employees of such transportation system, except executive and administrative officers, shall be transferred to and appointed as employees of the Agency or Corporation, subject to all the rights and benefits of this Act. These employees shall be given seniority credit and sick leave, vacation, insurance, health and welfare, holiday and pension or retirement credits in accordance with the records and labor agreements from the acquired transportation system. Members and beneficiaries of any pension or retirement system or other benefits established by the acquired transportation system shall continue to have rights, privileges, benefits, obligations, and status with respect to such established system. The Agency or Corporation shall assume the obligations of any transportation system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare, insurance, vacation, holiday, seniority, and pension or retirement provisions for employees. It shall assume the provisions of any collective bargaining agreement between such acquired transportation system and the representatives of its employees. The Agency or Corporation and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired transportation system and the participating employees through their representatives transferred to the trust fund to be established, maintained, and administered jointly by the Agency or Corporation and the participating employees through their representatives.

All employees of the Agency or Corporation shall be covered by a sound pension and retirment system, adequate to provide for all payments when due under such established system or as it may be modified from time to time by agreement or arbitration. No employee of any acquired transportation system who is transferred to a position with the Agency or Corporation, shall, by reason of such transfer, be placed in any worse position with respect to workmen's compensation, pension or retirement, seniority, wages, sick leave, vacation, health and welfare, insurance, holiday, or any other benefits than he enjoyed as an employee of such acquired transportation system.

SEC. 4. The employees of the Agency or Corporation shall, notwithstanding any other provision of law, be subject to the following laws and parts of laws:

(a) Title II of the Social Security Act, as amended, and the related provisions of the Federal Insurance Contributions Act, as amended.

(b) The Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927 (44 Stat. 1424), as amended and extended.

(c) The District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended.

(d) The Federal Unemployment Tax Act (Internal Revenue Code of 1954, chapter 23), as amended.

(e) Section 9 of the Universal Military Training and Service Act (62 Stat. 604), as amended, and related statutes affecting the reemployment rights of persons entering the Armed Forces of the United States.

(f) Section 6 of the act approved May 10, 1916 (39 Stat. 66, 120), as amended, relating to double salaries.

(g) Section 212 of the act approved June 30, 1932 (47 Stat. 406), as amended, relating to the retired pay of members of the Armed Forces.

(h) The second sentence of section 2 of the act approved July 31, 1894 (28 Stat. 205), as amended, relating to dual employment.

SEC. 5. Notwithstanding any other provision of law, the employees of the Agency or Corporation shall not be subject to the following laws:

(a) The Civil Service Act of January 16, 1883 (22 Stat. 403), as amended.

(b) The Federal Employees' Group Life Insurance Act of 1954 (68 Stat. 736), as amended.

(c) The Civil Service Retirement Act of May 29, 1930 (46 Stat. 468), as amended.

(d) The Classification Act of 1949 (63 Stat. 954), as amended.

(e) The Federal Employees Pay Act of 1945 (59 Stat. 295), as amended.

(f) The Annual and Sick Leave Act of 1951 (65 Stat. 679), as amended.

(g) The act entitled "An Act to provide certain employment benefits for employees of the Federal Government, and for other purposes," approved September 1, 1954 (68 Stat. 1105), as amended.

(h) The Performance Rating Act of 1950, approved September 30, 1950 (64 Stat. 1098).

(i) The Veterans Preference Act of 1944 (58 Stat. 387), as amended.

SEC. 6. Amend the District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended (sec. 46-301, D.C. Code, 1951 ed.), as amended, by adding the following new paragraph:

"For the purpose of this Act, and notwithstanding the provisions of subparagraph 1(b)(5)(D), the National Capital Transportation Agency or Corporation shall be deemed to be a covered employer and the employees of said Agency or Corporation shall be deemed to be covered employees."

SEC. 7. Amend section 3306 of the Federal Unemployment Tax Act (Internal Revenue Code of 1954, chapter 23), as amended, by inserting at the end thereof of new subsection reading as follows:

"EMPLOYEES OF THE NATIONAL CAPITAL TRANSPORTATION AGENCY OR CORPORATION.—For the purposes of this chapter and notwithstanding the provisions of paragraph (6) of subsection (c) hereof, the term 'employment' shall include service in the employ of the National Capital Transportation Agency or Corporation, and the Agency or Corporation, as employer of individuals whose service constitutes employment by reason of this subsection, is authorized and directed to comply with the provisions of this chapter 23."

SEC. 8. Employee Protection—Any employee of an existing mass transportation system, property, or facility, who is adversely affected by the establishment of new transit operations by the Agency or Corporation or by a private transit company through contract with the Agency or Corporation, or by a private transit company conducting new competing transit operations established pursuant to a development plan adopted by the Agency or Corporation, shall be entitled to employment by the Agency or Corporation or the private transit company and to the benefits of the protective conditions and provisions provided for under the Burlington Formula, as set forth in 257 I.C.C. 700, Conditions 1 through 6, inclusive. For purposes of enforcement or protection of rights, privileges, and immunities granted or guaranteed under this section, any employee adversely affected shall be entitled to the same remedies as are provided under the National Labor Relations Act in the case of employees covered by said Act, and the National Labor Relations Board and the courts of the United States (including the court of the District of Columbia) shall have jurisdiction and power to enforce and protect such rights, privileges, and immunities in the same manner as in the case of enforcement of the provisions of the National Labor Relations Act.

Mr. MORSE. Mr. President, no one can read Mr. Bierwagen's testimony without recognizing the soundness of the position being taken this afternoon by the senior Senator from Oregon, namely, that we are making a mistake in not laying out in the bill the broad principles of a labor policy with respect to transit workers in any operating agency which will actually flow from the enactment of the pending bill.

I close with my final rebuttal to the argument I expect to hear: "Well, we will come to that problem when we set up, in fact, the operating facility."

Let me say that now is the time to lay down these general principles of labor relations, in regard to the general scope of the agreement, the provision for voluntary arbitration, the exception, so far as the workers are concerned, from the application of laws that are already on the statute books with respect to civil service personnel, and the application of those laws so far as non-civil-service personnel are concerned.

If, as, and when an operating facility goes into operation, if it appears then that these policies should be changed, that is the time to change those policies. I argue this afternoon from a record of experience since 1956 with respect to the labor relations policies which I am offering this afternoon. What I am offering this afternoon is a labor policy that the Senate previously found to be acceptable in the operation of the D.C. Transit System. All I say is that we ought to apply the same set of policies to this new agency that we are about to create—an agency which no one can deny is being given legislative authority for the setting up of an operating facility.

Mr. BIBLE. I should like to reply briefly to the argument of the able Senator from Oregon. I share with him the high regard for Mr. Bierwagen, the president of the Transit Workers Union. It

is true that he submitted to the committee a number of suggestions and recommendations in this field. I believe the committee was aware of the problem that was ahead of us in this particular field. I am certain they recognized this fact in part, at least, when they wrote into the report, as the Senator from Oregon has indicated in his remarks, a statement or caveat that I believe is very clear and positive. The report states:

One further step will be needed, which should be taken by Congress before the agency moves into the operating stage. Congress should establish for the agency a labor relations policy, defining labor's right to organize, to bargain collectively, to arbitrate disputes, and to safeguard job rights.

I believe the committee was completely cognizant of this situation. The legislative history which the distinguished Senator from Oregon has made on the floor of the Senate this afternoon is very helpful.

Mr. President, as the Agency moves into the exercise of its operating powers, then, it seems to me, will be the proper time to move in and determine and decide these very complicated and intricate and complex problems.

The amendment of the Senator from Oregon covers nine pages of rather fine type. It is a complicated problem. There were no extensive hearings whatever on this particular phase of the transit problem. The committee felt that now was not the time to write into legislation the amendment suggested by the Senator from Oregon. The committee did not feel that consideration should be given to it. In fact, the committee did not have this amendment before it.

I would assure the Senator from Oregon—and he can write it in his own language—that we are not going to move into an operating agency until such time as there has been a full hearing on these very important problems of labor-management relationships. I may say to my good friend that that is still a number of years away. The bill as it now comes to the Senate is one which contemplates largely design, engineering, and development plans. The committee early in its hearings was not satisfied that a showing was made as to, first, the form of organization, and, second, the financing that was proposed.

So in the next few years, it is very apparent to us on the committee, much more work will have to be done. As a matter of fact, the bill specifically provides in one section of the bill, section 204(g) at page 45 that the Agency:

(g) Shall submit to the President for transmittal to Congress, not later than November 1, 1962, recommendations for organization and financial arrangements for transportation in the National Capital region.

It seems to me that that time would be the proper time—after we have received the recommendation—to consider the problem of labor policy to which the senior Senator from Oregon properly and correctly has addressed himself this afternoon. At this time I would hope the Senator would not persist in his amendment.

Mr. MORSE. I shall persist in my amendment. I had hoped that the chairman would take the amendment to conference. My answer is that all the Senator from Nevada offers is a promise. All that he offers is a hope. He does not have a word in the bill that makes it mandatory that before an operating facility can proceed to operate under the bill there will have to be legislation enacted by Congress in regard to labor policies governing that facility.

If the chairman wishes to include in the bill language that will make it perfectly clear that not one individual can be hired as operating "blue collar" personnel until after Congress passes legislation determining what the labor personnel policies of the Agency shall be, then I shall not press for my amendment.

However, what the chairman says, in effect, is that at some time in the future Congress can have before it the question as to what the labor policy shall be. The fact is, as we read the present language of the bill, that there is nothing to stop an operating facility in the future, which may be an outgrowth of the bill, to proceed to operate and adopt any labor policy it wishes to adopt. That is what the transit workers are concerned about. That is why I think my amendment ought to be taken to conference. I believe the chairman should see what he can do in conference to reach some agreement on the amendment, or at least some agreement on a statement of labor policy to be written into the bill itself.

All I ask for is statutory language on the subject matter. I am not at all interested in just the nice promises set forth in the language of the committee report. I want the language in the law. The fact is, there is not a word in the bill which makes it mandatory upon any operating facility or agency in the future to follow, for example, a policy of arbitration; to follow a policy with respect to unemployment compensation or workmen's compensation. So far as the bill is now drafted, the transit workers will have no protection whatsoever in the future under any operating facility which may be developed under the bill. In my judgment, that is not fair; it is not right. In my judgment, we ought, at least, to provide some language related to the last comment of the chairman. We ought to be willing to have a certain understanding this afternoon that language will be written into the bill which will make it clear that no operating facility can proceed to operate, once it is established under the law in its present language, until further legislation has been passed, setting forth the labor policy which shall prevail.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BIBLE. Perhaps we are not too far apart in our thinking. If I understand the Senator's statement, he objects because the language contained in the report on this subject is not in the bill, and he believes it should be.

Mr. MORSE. The reference in the report is in the future tense.

Mr. BIBLE. The Senator from Oregon believes the language should be the law of the land, so that there will be no misunderstanding. When the committee reported the bill and included this particular provision in the report, it meant what it said. I assume the Senator would feel more secure to have in the bill a proviso to the effect:

Provided, Before the Agency moves into the operating stage, Congress shall establish for the Agency a labor relations policy, defining labor's right to organize, to bargain collectively, to arbitrate disputes, and to safeguard job rights.

I have no objection to the inclusion of such a provision.

Mr. MORSE. We will be in agreement, if such language can be included in the bill. I think that will put to rest the fear of the workers. It will make it perfectly clear that the operating Agency cannot use the law as a subterfuge to adopt what could become a union-busting procedure. This could be a vicious union-busting bill, if a situation arose, in a future Congress, under which some operating facility might want to use it so. I think it is necessary to include such a check in the law.

Before suggesting the absence of a quorum, so as to enable us to prepare suitable language for an amendment, I may say that I have another amendment, as the Senator from Nevada knows, on page 9. The amendment simply provides that the transit development program to be developed by the Agency shall be referred for review and comment not only to the transit companies but to the unions representing the transit workers as well.

Mr. BIBLE. I see no objection to that amendment. I am perfectly willing to accept it.

Mr. MORSE. I am willing to have that amendment go to conference.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

PROMOTION AND INVOLUNTARY RETIREMENT OF CERTAIN OFFICERS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1795) to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the armed forces, which were, to strike out all after the enacting clause and insert:

That chapter 335 of title 10, United States Code, is amended—

(1) by adding the following new sentence at the end of section 3297(d): "Notwithstanding any other provision of law, a board that is to recommend officers for promotion

whom it considers to be the best qualified may recommend only those officers whom it also considers to be fully qualified.";

(2) by amending the last sentence of section 3300(c) to read as follows: "However, the number prescribed by the Secretary for recommendation must be at least 80 percent of those listed for consideration for the first time."; and

(3) by amending section 3303(d)(3) by striking out the words "the date he would have been retired under section 3913 of this title if he were eligible" and inserting the words "such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Army, but not later than the first day of the seventh calendar month after the Secretary approves the report of that board" in place thereof.

SEC. 2. (a) Chapter 359 of title 10, United States Code, is amended to read as follows:

"CHAPTER 359—SEPARATION FROM REGULAR ARMY FOR SUBSTANDARD PERFORMANCE OF DUTY

"Sec.

"3781. Selection boards: composition; duties.

"3782. Boards of inquiry: composition; duties.

"3783. Boards of review: composition; duties.

"3784. Removal of officer: action by Secretary of the Army upon recommendation.

"3785. Rights and procedures.

"3786. Officer considered for removal: voluntary retirement or honorable discharge; severance benefits.

"3787. Officers eligible to serve on boards.

"§ 3781. Selection boards: composition; duties

"The Secretary of the Army may at any time convene a board of officers to review the record of any commissioned officer on the active list of the Regular Army to determine whether he shall be required, because his performance of duty has fallen below standards prescribed by the Secretary, to show cause for his retention on the active list.

"§ 3782. Boards of inquiry: composition; duties

"(a) Boards of inquiry, each composed of three or more officers, shall be convened, at such places as the Secretary of the Army may prescribe, to receive evidence and make findings and recommendations whether an officer, required to show cause under section 3781 of this title, shall be retained on the active list of the Regular Army.

"(b) A fair and impartial hearing before a board of inquiry shall be given to each officer so required to show cause for retention.

"(c) If a board of inquiry determines that the officer has failed to establish that he should be retained on the active list, it shall send the record of its proceedings to a board of review.

"(d) If a board of inquiry determines that the officer has established that he should be retained on the active list, his case is closed. However, at any time after one year from the date of that determination, he may be again required to show cause for retention under section 3781 of this title.

"§ 3783. Boards of review: composition; duties

"(a) Boards of review, each composed of three or more officers, shall be convened by the Secretary of the Army, at such times as he may prescribe, to review the records of cases of officers recommended by boards of inquiry for removal from the active list of the Regular Army under section 3782 of this title.

"(b) If, after reviewing the record of the case, a board of review determines that the officer has failed to establish that he should be retained on the active list, it shall send its recommendation to the Secretary for his action.

"(c) If, after reviewing the record of the case, a board of review determines that the officer has established that he should be retained on the active list, his case is closed. However, at any time after one year from the date of that determination, he may be again required to show cause for retention under section 3781 of this title.

"§ 3784. Removal of officer: action by Secretary of the Army upon recommendation

"The Secretary of the Army may remove an officer from the active list of the Regular Army if his removal is recommended by a board of review under this chapter. The Secretary's action in such a case is final and conclusive.

"§ 3785. Rights and procedures

"Each officer under consideration for removal from the active list of the Regular Army under this chapter shall be—

"(1) notified in writing, at least 30 days before the hearing of his case by a board of inquiry, that he is being required to show cause for retention on the active list;

"(2) allowed reasonable time, as determined by the board of inquiry under regulations of the Secretary of the Army, to prepare his defense;

"(3) allowed to appear in person and by counsel at proceedings before a board of inquiry; and

"(4) allowed full access to, and furnished copies of, records relevant to his case at all stages of the proceeding.

"§ 3786. Officer considered for removal: voluntary retirement or honorable discharge; severance benefits

"(a) At any time during proceedings under this chapter and before the removal of an officer from the active list of the Regular Army, the Secretary of the Army may grant his request—

"(1) for voluntary retirement, if he is otherwise qualified therefor; or

"(2) for honorable discharge with severance benefits under subsection (b).

"(b) Each officer removed from the active list of the Regular Army under this chapter shall—

"(1) if on the date of removal he is eligible for voluntary retirement under any law, be retired in the grade and with the pay for which he would be eligible if retired at his request; or

"(2) if on that date he is ineligible for voluntary retirement under any law, be honorably discharged in the grade then held with severance pay computed by multiplying his years of active commissioned service, but not more than 12, by one month's basic pay of that grade.

"(c) For the purposes of subsection (b)(2), a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"§ 3787. Officers eligible to serve on boards

"(a) No officer may serve on a board under this chapter unless he holds a regular or temporary grade above lieutenant colonel, and is senior in regular grade to, and outranks, any officer considered by that board.

"(b) No person may be a member of more than one board convened under this chapter for the same officer."

(b) The analysis of subtitle B and the analysis of part II of subtitle B are each amended by striking out the following item:

"359. Separation from Regular Army for Failure to Meet Standards---------- 3781"

and inserting the following item in place thereof:

"359. Separation from Regular Army for Substandard Performance of Duty---------- 3781".

(c) The amendments made by this section do not apply to any proceedings begun under chapter 359 of title 10, United States Code, before the enactment of this section.

SEC. 3 (a) Subtitle B of title 10, United States Code, is amended by inserting the following new chapter after chapter 359:

"CHAPTER 360—SEPARATION FROM REGULAR ARMY FOR MORAL OR PROFESSIONAL DERELICTION OR IN INTERESTS OF NATIONAL SECURITY

"Sec.

"3791. Selection boards: composition; duties.

"3792. Boards of inquiry: composition; duties.

"3793. Boards of review: composition; duties.

"3794. Removal of officer: action by Secretary of the Army upon recommendation.

"3795. Rights and procedures.

"3796. Officers considered for removal: retirement or discharge.

"3797. Officers eligible to serve on boards.

"§ 3791. Selection boards; composition; duties

"The Secretary of the Army may at any time convene a board of general officers to review the record of any commissioned officer on the active list of the Regular Army to determine whether he shall be required, because of moral dereliction, professional dereliction, or because his retention is not clearly consistent with the interests of national security, to show cause for his retention on the active list.

"§ 3792. Boards of inquiry: composition; duties

"(a) Boards of inquiry, each composed of three or more general officers, shall be convened at such places as the Secretary of the Army may prescribe, to receive evidence and make findings and recommendations whether an officer, required to show cause under section 3791 of this title, shall be retained on the active list of the Regular Army.

"(b) A fair and impartial hearing before a board of inquiry shall be given to each officer so required to show cause for retention.

"(c) If a board of inquiry determines that the officer has failed to establish that he should be retained on the active list, it shall send the record of its proceedings to a board of review.

"(d) If a board of inquiry determines that the officer has established that he should be retained on the active list, his case is closed. However, at any future time, he may be again required to show cause for retention under section 3791 of this title.

"§ 3793. Boards of review: composition; duties

"(a) Boards of review, each composed of three or more general officers, shall be convened by the Secretary of the Army, at such times as he may prescribe, to review the records of cases of officers recommended by boards of inquiry for removal from the active list of the Regular Army under section 3792 of this title.

"(b) If, after reviewing the record of the case, a board of review determines that the officer has failed to establish that he should be retained on the active list, it shall send its recommendation to the Secretary for his action.

"(c) If, after reviewing the record of the case, a board of review determines that the officer has established that he should be retained on the active list, his case is closed. However, at any future time, he may be again required to show cause for retention under section 3791 of this title.

"§ 3794. Removal of officer: action by Secretary of the Army upon recommendation

"The Secretary of the Army may remove an officer from the active list of the Regular Army if his removal is recommended

by a board of review under this chapter. The Secretary's action in such a case is final and conclusive.

"§ 3795. Rights and procedures

"Each officer under consideration for removal from the active list of the Regular Army under this chapter shall be—

"(1) notified in writing of the charges against him, at least 30 days before the hearing of his case by a board of inquiry, for which he is being required to show cause for retention on the active list;

"(2) allowed reasonable time, as determined by the board of inquiry under regulations of the Secretary of the Army, to prepare his defense;

"(3) allowed to appear in person and by counsel at proceedings before a board of inquiry; and

"(4) allowed full access to, and furnished copies of, records relevant to his case at all stages of the proceeding, except that a board shall withhold any records that the Secretary determines should be withheld in the interests of national security.

In any case where any records are withheld under clause (4), the officer whose case is under consideration shall, to the extent that the national security permits, be furnished a summary of the records so withheld.

"§ 3796. Officers considered for removal: retirement or discharge

"(a) At any time during proceedings under this chapter and before the removal of an officer from the active list of the Regular Army, the Secretary of the Army may grant his request—

"(1) for voluntary retirement, if he is otherwise qualified therefor; or

"(2) for discharge under subsection (b).

"(b) Each officer removed from the active list of the Regular Army under this chapter shall—

"(1) if on the date of removal he is eligible for voluntary retirement under any law, be retired in the grade and with the pay for which he would be eligible if retired at his request; or

"(2) if on that date he is ineligible for voluntary retirement under any law, be discharged in the grade then held with severance pay computed by multiplying his years of active commissioned service, but not more than 12, by 1 month's basic pay of that grade.

"(c) For the purposes of subsection (b)(2), a part of a year that is 6 months or more is counted as a whole year, and a part of a year that is less than 6 months is disregarded.

"§ 3797. Officers eligible to serve on boards

"(a) No officer may serve on a board under this chapter unless he is senior in regular grade to, and outranks, any officer considered by that board.

"(b) No person may be a member of more than one board convened under this chapter for the same officer."

(b) The analysis of subtitle B and the analysis of part II of subtitle B are each amended by inserting the following new item:

"360. Separation From Regular Army for Moral or Professional Dereliction or in Interests of National Security ..... 3791".

SEC. 4. Section 3913 of title 10, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) A deferred officer who is not recommended for promotion under section 3303(c) of this title, or an officer who is found disqualified for promotion under section 3302(f) of this title, shall, if he has at least 20 years of service computed under section 3927(a) of this title, be retired, except as provided by section 47a of title 5, on such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Army, but not later than the first day of the seventh calendar month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned."; and

(2) by amending subsection (b) by striking out the words "so entitled to retire" and inserting the words "the date he completes 20 years of service computed under section 3927(a) of this title, or the first day of the seventh calendar month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned, whichever is later" in place thereof.

SEC. 5. Chapter 573 of title 10, United States Code, is amended—

(1) by adding the following new sentence at the end of each of subsections (a) and (b) of section 6382: "However, if he so requests, he may be honorably discharged at any time during that fiscal year.";

(2) by adding the following new sentence at the end of each subsections (d) and (e) of section 6383: "However, if he so requests, he may be honorably discharged at any time during that fiscal year.";

(3) by inserting the words "or, in the discretion of the Secretary of the Navy, on any earlier date if the officer so requests" after the words "his name is so reported" in section 6384(b);

(4) by adding the following new sentence at the end of section 6401(a). "However, if she so requests, she may be honorably discharged at any time during that fiscal year."; and

(5) by adding the following new sentence at the end of section 6402(a): "However, if she so requests, she may be honorably discharged at any time during that fiscal year."

SEC. 6. Chapter 835 of title 10, United States Code, is amended—

(1) by adding the following new sentence at the end of section 8297(d): "Notwithstanding any other provision of law, a board that is to recommend officers for promotion whom it considers to be the best qualified may recommend only those officers whom it also considers to be fully qualified.";

(2) by amending the last sentence of section 8300(c) to read as follows: "However, the number prescribed by the Secretary for recommendation must be at least 80 percent of those listed for consideration for the first time."; and

(3) by amending section 8303(d)(3) by striking out the words "the date he would have been retired under section 8913 of this title if he were eligible" and inserting the words "such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Air Force, but not later than the first day of the seventh calendar month after the Secretary approves the report of that board" in place thereof.

SEC. 7. (a) Chapter 859 of title 10, United States Code, is amended to read as follows:

"CHAPTER 859—SEPARATION FROM REGULAR AIR FORCE FOR SUBSTANDARD PERFORMANCE OF DUTY

"Sec.

"8781. Selection boards: composition; duties.

"8782. Boards of inquiry: composition; duties.

"8783. Boards of review: composition; duties.

"8784. Removal of officer: action by Secretary of the Air Force upon recommendation.

"8785. Rights and procedures.

"8786. Officer considered for removal: voluntary retirement or honorable discharge; severance benefits.

"8787. Officers eligible to serve on boards.

"§ 8781. Selection boards: composition; duties

"The Secretary of the Air Force may at any time convene a board of officers to review the record of any commissioned officer on the active list of the Regular Air Force to determine whether he shall be required, because his performance of duty has fallen below standards prescribed by the Secretary, to show cause for his retention on the active list.

"§ 8782. Boards of inquiry: composition; duties

"(a) Boards of inquiry, each composed of three or more officers, shall be convened, at such places as the Secretary of the Air Force may prescribe, to receive evidence and make findings and recommendations whether an officer, required to show cause under section 8781 of this title, shall be retained on the active list of the Regular Air Force.

"(b) A fair and impartial hearing before a board of inquiry shall be given to each officer so required to show cause for retention.

"(c) If a board of inquiry determines that the officer has failed to establish that he should be retained on the active list, it shall send the record of its proceedings to a board of review.

"(d) If a board of inquiry determines that the officer has established that he should be retained on the active list, his case is closed. However, at any time after 1 year from the date of that determination, he may be again required to show cause for retention under section 8781 of this title.

"§ 8783. Boards of review: composition; duties.

"(a) Boards of review, each composed of three or more officers, shall be convened by the Secretary of the Air Force, at such times as he may prescribe, to review the records of cases of officers recommended by boards of inquiry for removal from the active list of the Regular Air Force under section 8782 of this title.

"(b) If, after reviewing the record of the case, a board of review determines that the officer has failed to establish that he should be retained on the active list, it shall send its recommendation to the Secretary for his action.

"(c) If, after reviewing the record of the case, a board of review determines that the officer has established that he should be retained on the active list, his case is closed. However, at any time after 1 year from the date of that determination, he may be again required to show cause for retention under section 8781 of this title.

"§ 8784. Removal of officer: action by Secretary of the Air Force upon recommendation.

"The Secretary of the Air Force may remove an officer from the active list of the Regular Air Force if his removal is recommended by a board of review under this chapter. The Secretary's action in such a case is final and conclusive.

"§ 8785. Rights and procedures

"Each officer under consideration for removal from the active list of the Regular Air Force under this chapter shall be—

"(1) notified in writing, at least 30 days before the hearing of his case by a board of inquiry, that he is being required to show cause for retention on the active list;

"(2) allowed reasonable time, as determined by the board of inquiry under regulations of the Secretary of the Air Force, to prepare his defense;

"(3) allowed to appear in person and by counsel at proceedings before a board of inquiry; and

"(4) allowed full access to, and furnished copies of, records relevant to his case at all stages of the proceeding.

"§ 8786. Officer considered for removal: voluntary retirement or honorable discharge; severance benefits

"(a) At any time during proceedings under this chapter and before the removal of an officer from the active list of the Regular Air Force, the Secretary of the Air Force may grant his request—

"(1) for voluntary retirement, if he is otherwise qualified therefor; or

"(2) for honorable discharge with severance benefits under subsection (b).

"(b) Each officer removed from the active list of the Regular Air Force under this chapter shall—

"(1) if on the date of removal he is eligible for voluntary retirement under any law, be retired in the grade and with the pay for which he would be eligible if retired at his request; or

"(2) if on that date he is ineligible for voluntary retirement under any law, be honorably discharged in the grade then held with severance pay computed by multiplying his years of active commissioned service, but not more than 12, by one month's basic pay of that grade.

"(c) For the purposes of subsection (b) (2), a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"§ 8787. Officers eligible to serve on boards

"(a) No officer may serve on a board under this chapter unless he holds a regular or temporary grade above lieutenant colonel, and is senior in regular grade to, and outranks, any officer considered by that board.

"(b) No person may be a member of more than one board convened under this chapter for the same officer."

(b) The analysis of subtitle D and the analysis of part II of subtitle D are each amended by striking out the following item:

"859. Separation from Regular Air Force for Failure to Meet Standards..... 8781"

and inserting the following item in place thereof:

"859. Separation from Regular Air Force for Substandard Performance of Duty..... 8781".

(c) The amendments made by this section do not apply to any proceedings begun under chapter 859 of title 10, United States Code, before the enactment of this section.

SEC. 8. (a) Subtitle D of title 10, United States Code, is amended by inserting the following new chapter after chapter 859:

"CHAPTER 860.—SEPARATION FROM REGULAR AIR FORCE FOR MORAL OR PROFESSIONAL DERELICTION OR IN INTERESTS OF NATIONAL SECURITY

"Sec.

"8791. Selection boards: composition; duties.

"8792. Boards of inquiry: composition; duties.

"8793. Boards of review: composition; duties.

"8794. Removal of officer: action by Secretary of the Air Force upon recommendation.

"8795. Rights and procedures.

"8796. Officers considered for removal: retirement or discharge

"8797. Officers eligible to serve on boards.

"§ 8791. Selection boards: composition; duties.

"The Secretary of the Air Force may at any time convene a board of general officers to review the record of any commissioned officer on the active list of the Regular Air Force to determine whether he shall be required, because of moral dereliction, professional dereliction, or because his retention is not clearly consistent with the interests of national security, to show cause for his retention on the active list.

"§ 8792. Boards of inquiry: composition; duties.

"(a) Boards of inquiry, each composed of three or more general officers, shall be convened at such places as the Secretary of the Air Force may prescribe, to receive evidence and make findings and recommendations whether an officer, required to show cause under section 8791 of this title, shall be retained on the active list of the Regular Air Force.

"(b) A fair and impartial hearing before a board of inquiry shall be given to each officer so required to show cause for retention.

"(c) If a board of inquiry determines that the officer has failed to establish that he should be retained on the active list, it shall send the record of its proceedings to a board of review.

"(d) If a board of inquiry determines that the officer has established that he should be retained on the active list, his case is closed. However, at any future time, he may be again required to show cause for retention under section 8791 of this title.

"§ 8793. Boards of review: composition; duties

"(a) Boards of review, each composed of three or more general officers, shall be convened by the Secretary of the Air Force, at such times as he may prescribe, to review the records of cases of officers recommended by boards of inquiry for removal from the active list of the Regular Air Force under section 8792 of this title.

"(b) If, after reviewing the record of the case, a board of review determines that the officer has failed to establish that he should be retained on the active list, it shall send its recommendation to the Secretary for his action.

"(c) If, after reviewing the record of the case, a board of review determines that the officer has established that he should be retained on the active list, his case is closed. However, at any future time, he may be again required to show cause for retention under section 8791 of this title.

"§ 8794. Removal of officer: action by Secretary of the Air Force upon recommendation

"The Secretary of the Air Force may remove an officer from the active list of the Regular Air Force if his removal is recommended by a board of review under this chapter. The Secretary's action in such a case is final and conclusive.

"§ 8795. Rights and procedures

"Each officer under consideration for removal from the active list of the Regular Air Force under this chapter shall be—

"(1) notified in writing of the charges against him, at least 30 days before the hearing of his case by a board of inquiry, for which he is being required to show cause for retention on the active list;

"(2) allowed reasonable time, as determined by the board of inquiry under regulations of the Secretary of the Air Force, to prepare his defense;

"(3) allowed to appear in person and by counsel at proceedings before a board of inquiry; and

"(4) allowed full access to, and furnished copies of, records relevant to his case at all stages of the proceeding, except that a board shall withhold any records that the Secretary determines should be withheld in the interests of national security.

In any case where any records are withheld under clause (4), the officer whose case is under consideration shall, to the extent that the national security permits, be furnished a summary of the records so withheld.

"§ 8796. Officers considered for removal: retirement or discharge

"(a) At any time during proceedings under this chapter and before the removal of an officer from the active list of the Regular Air Force, the Secretary of the Air Force may grant his request—

"(1) for voluntary retirement, if he is otherwise qualified therefor; or

"(2) for discharge under subsection (b).

"(b) Each officer removed from the active list of the Regular Air Force under this chapter shall—

"(1) if on the date of removal he is eligible for voluntary retirement under any law, be retired in the grade and with the pay for which he would be eligible if retired at his request; or

"(2) if on that date he is ineligible for voluntary retirement under any law, be discharged in the grade then held with severance pay computed by multiplying his years of active commissioned service, but not more than 12, by one month's basic pay of that grade.

"(c) For the purposes of subsection (b) (2), a part of a year that is six months or more is counted as a whole year, and a part of a year that is less than six months is disregarded.

"§ 8797. Officers eligible to serve on boards

"(a) No officer may serve on a board under this chapter unless he is senior in regular grade to, and outranks, any officer considered by that board.

"(b) No person may be a member of more than one board convened under this chapter for the same officer."

(b) The analysis of subtitle D and the analysis of part II of subtitle D are each amended by inserting the following new item:

"860. Separation from Regular Air Force for Moral or Professional Dereliction or in Interests of National Security..... 8791"

SEC. 9. Section 8913 of title 10, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) A deferred officer who is not recommended for promotion under section 8303(c) of this title, or an officer who is found disqualified for promotion under section 8302 (f) of this title, shall, if he has at least 20 years of service computed under section 8927(a) of this title, be retired, except as provided by section 47a of title 5, on such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Air Force, but not later than the first day of the seventh calendar month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned."; and

(2) by amending subsection (b) by striking out the words "so entitled to retire" and inserting the words "the date he completes 20 years of service computed under section 8927(a) of this title, or the first day of the seventh calendar month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned, whichever is later" in place thereof.

SEC. 10. (a) Not more than once in each fiscal year, the Secretary of the Army and the Secretary of the Air Force may convene one or more boards, each consisting of at least five officers of the Regular Army or the Regular Air Force, as the case may be, in a grade above colonel, to review the records of, and recommend for continuation on the active list, officers of that component on the active list in the regular grade of colonel or lieutenant colonel who have at least 20 years of service computed under section 3927(a) or 8927(a) of title 10, United States Code, whichever applies, and who have been considered more than twice but not recommended for promotion to the next higher regular grade.

(b) A board convened under this section shall recommend officers for continuation on the active list in the number specified by the Secretary. The Secretary may specify separate numbers for particular categories of officers. However, except with respect to the first board convened under this section in the Army and in the Air Force, the number specified by him for officers in any category must be at least 80 percent of the officers in that category being considered. An officer may be considered for continuation on the active list under this section only once while serving in the regular grade of colonel and only once while serving in the regular grade of lieutenant colonel.

(c) Except as provided by section 1 of the Act of April 23, 1930, ch. 209, as amended (5 U.S.C. 47a), if the Secretary approves the report of a board, he shall, not later than the first day of the seventh calendar month beginning after he approves that report, retire each officer who is considered but not recommended for continuation.

(d) A member of the Army or the Air Force who is retired under this section is entitled to retired pay computed under formula A of section 3991 or 8991, respectively, of title 10.

(e) This section does not apply to—

(1) members of the Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps;

(2) Air Force nurses or medical specialists; or

(3) female members of the Air Force who are not designated under section 8067(a)–(d) or (g)–(i) of title 10.

(f) This section is not effective after June 30, 1965.

SEC. 11. Notwithstanding section 1431 of title 10, United States Code, a change or revocation of an election made under that section by an officer who is retired under section 10 of this Act is effective if made at such a time that it would have been effective had he been retired on the earliest date prescribed for an officer of his kind by section 3916, 3921, 8916, or 8921 of title 10, as appropriate.

SEC. 12. Effective as of August 11, 1959, section 3 of the Act of August 11, 1959, Public Law 86–155 (73 Stat. 336), is amended to read as follows:

"SEC. 3. Notwithstanding section 1431 of title 10, United States Code, a change or revocation of an election made under that section by—

"(1) an officer who is retired under this Act; or

"(2) an officer who has been considered but not recommended for continuation on the active list under section 1 of this Act and who hereafter retires voluntarily before the date specified for his retirement under this Act;

is effective if made at such a time that it would have been effective had he been retired on the date prescribed by section 6376, 6377, or 6379 of title 10, United States Code, as appropriate."

SEC. 13. An officer who has been considered but not recommended for continuation on the active list under section 1 of the Act of August 11, 1959, Public Law 86–155 (73 Stat. 333), and who retired or retires voluntarily before the second day of the month following the month in which this Act is enacted, may, within six months following the enactment of this Act, affirm a change or revocation of an election made under section 1431 of title 10, United States Code, before his retirement, if the change or revocation would have been effective under section 3 of the Act of August 11, 1959, Public Law 86–155, as amended by this Act, but for his voluntary retirement. If an officer takes no action under this section, his currently valid election under section 1431 of title 10, United States Code, shall remain unchanged. The computation of the revised reduction in retired pay in the case of an officer who affirms a change of election under this section shall be in accordance with section 1436 of title 10, United States Code, and according to the conditions that existed on the day the officer became eligible for retired pay. An affirmation or revocation made under this section is effective on the first day of the month in which made. No refund may be made and no additional payment may be required with respect to any period before that date.

And to amend the title so as to read: "An act relating to the promotion and separation of certain officers of the regular components of the armed forces."

Mr. CANNON. Mr. President, the House accepted the principal provisions of the Senate bill providing authority whereby Regular officers in the grade of lieutenant colonel and colonel who have 20 years of service and have twice failed of selection to the next higher grade could be mandatorily retired by board action prior to completing their normal points of service for twice-failed officers. The House did amend the bill in the following named respects: First, the elimination authority was limited to a period of 5 years, ending July 1, 1965, whereas the Senate version would have provided permanent authority; second, the bill was made applicable only to the Army and Air Force, whereas the Senate version also included the Navy and Marine Corps. I may say the Navy and the Marine Corps contend that they have special authority, under the "hump" bill, to take care of the problem, so far as they are concerned.

Third. The House added new language aimed at redrafting and clarifying the present provisions relating to the show cause procedures under which officers of the Army and Air Force charged with substandard performance or character defects may be eliminated by statutory boards.

Mr. President, the full Committee on Armed Services has recommended acceptance of the House amendment. I urge the Senate to concur in the House amendments of Senate bill 1795.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

NATIONAL CAPITAL TRANSPORTATION ACT OF 1960

The Senate resumed the consideration of the bill (S. 3193) to aid in the development of a unified and integrated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize creation of a National Capital Transportation Corporation, to authorize negotiation to create an Interstate Transportation Agency, and for other purposes.

Mr. BIBLE. Mr. President, the Senator from Oregon [Mr. MORSE] discussed his amendment with me just after he suggested the absence of a quorum. He asked me to state that his amendment should be withdrawn. In lieu of the amendment he previously offered, I am now in a position to offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment previously offered by the Senator from Oregon will be withdrawn. The clerk will state the amendments offered by the Senator from Nevada.

The LEGISLATIVE CLERK. It is proposed:

On page 43, line 14, to insert after "region" the following: "and to unions representing the employees of such companies."

On page 47, line 9, after the colon, to insert the following:

Provided, That the Agency shall not operate any transit facilities, or provide by agreement for the operation of transit facilities, until the Congress shall establish for the Agency a labor relations policy, defining labor's right to organize, to bargain collectively, to arbitrate disputes, and to safeguard job rights.

On page 47, line 10, to strike the word "*Provided,*" and insert in lieu thereof "*Provided further,*".

Mr. BIBLE. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendments of the Senator from Nevada.

Mr. BIBLE. Mr. President, before the amendments are put to a vote, I should like to say I have discussed this matter thoroughly with the Senator from Oregon. Members of the Senate who had followed the colloquy on the floor would have learned that the key language we have put into the bill by way of an amendment is taken word for word from the language we adopted in the report. It was the feeling of the Senator from Oregon that, properly, it should be put in the bill, and the matter not left to language contained in the report. I am happy to agree with his position on that question.

I ask that the amendments be voted on en bloc.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments to the committee amendment offered by the Senator from Nevada.

The amendments to the amendment were agreed to.

Mr. BIBLE. Mr. President, I have other amendments at the desk, technical in nature. I ask that they be stated, and I ask unanimous consent that the amendments be considered en bloc.

I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, the reading will be dispensed with.

The amendments to the amendment are as follows:

Page 37, line 8, strike out the word "to" after the word "work" and insert in lieu thereof the word "of".

Page 50, line 8, strike the period after the word "services" and insert in lieu thereof a semicolon.

Page 50, line 15, strike the word "and".

Page 51, line 5, strike the period after the word "constructed" and insert in lieu thereof a semicolon and the word "and".

Page 52, line 15, strike the numeral "401" and insert in lieu thereof "301".

Page 53, line 10, strike the word "has" and insert in lieu thereof "have".

Page 55, line 7, strike the numeral "402" and insert in lieu thereof "302".

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments to the committee amendment were agreed to, en bloc.

The PRESIDING OFFICER. The question is now on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of H.R. 11135, which is the companion House bill, which I am informed passed the House of Representatives earlier today.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H.R. 11135) to aid in the development of a coordinated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize negotiation to create an interstate agency; and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which was read twice by title.

Mr. BIBLE. Mr. President, I move to strike out all after the enacting clause of H.R. 11135 and insert in lieu thereof the text of Senate bill 3913, as amended, as an amendment to H.R. 11135.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

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

The bill (H.R. 11135) was read the third time.

Mr. BIBLE. Mr. President, before yielding to the distinguished Senator from Maryland [Mr. BEALL], the ranking minority member of the Senate District of Columbia Committee, I ask unanimous consent to have inserted in the RECORD at this point a detailed analysis of the bill, on a section by section basis.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

S. 3193—ANALYSIS OF PROPOSED AMENDMENTS IN THE NATURE OF A SUBSTITUTE

TITLE I—SHORT TITLE, STATEMENT OF FINDINGS AND POLICY, AND DEFINITIONS

Short title

Section 101 provides that the act may be cited as the National Capital Transportation Act of 1960.

Statement of findings and policy

Section 102 sets forth the congressional finding of the need for an improved transportation system for the National Capital region, for the planning on a regional basis of a unified transportation system, for cooperation among all levels of government and public carriers, for Federal financial participation, and for coordination of transportation with other public facilities and land use.

It is declared to be the continuing policy and responsibility of the Federal Government, in cooperation with State and local governments and private enterprise, to aid in the development of a unified and integrated system for the transportation of persons in the National Capital region.

Definitions

Section 103, in subsection (a), defines the "National Capital region" as used in the act to mean the District of Columbia; Montgomery and Prince Georges Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; Alexandria and Falls Church cities in Virginia; and all other cities existing within the boundaries of those counties. The area defined is identical in substance to the National Capital region defined in section 1(b) of the National Capital Planning Act of 1952.

Subsection (b) of section 103 defines the term "government agency" or "government agencies" as used in the act to mean the governments of the United States, District of Columbia, Virginia, and Maryland, and their subdivisions, agencies and instrumentalities located in, or whose jurisdiction includes all or part of the National Capital region. The language provides a convenient, short reference to the large group of public bodies covered.

TITLE II—CREATION OF A NATIONAL CAPITAL TRANSPORTATION AGENCY

National Capital Transportation Agency

Section 201, in subsection (a), establishes, as a Federal instrumentality, the National Capital Transportation Agency and provides that it be headed by an Administrator, appointed by the President with Senate confirmation. The Administrator would receive compensation at a rate not in excess of the maximum rate for grade 18 of the general schedule of the Classification Act of 1949, as amended, plus $500 per annum.

Subsection (b) provides for the appointment, by the President with Senate confirmation, of a Deputy Administrator to perform duties assigned by the Administrator and to act for the Administrator during his absence or disability. The Deputy Administrator would receive compensation at a rate not in excess of the maximum rate for grade 18 of the general schedule of the Classification Act of 1949, as amended.

Subsection (c) requires the Administrator and Deputy Administrator to engage only in the business of the Agency during their time in office and requires that they, and members of the Advisory Board established in section 202, have no financial interest in any other enterprise engaged in providing public transportation or the manufacture or selling of passenger transportation equipment or facilities. The language is intended to prevent possible conflicts of interest between the public and the private activities of Agency officers.

Advisory Board

Section 202 provides for the establishment of the Advisory Board of the Agency to be composed of five members, appointed by the President with Senate confirmation. At least three members are to be residents of the National Capital region. The President is required to designate one member as chairman. The Board would be required to meet at least every 90 days and would advise the Administrator generally on Agency policies. Board members would receive compensation at a rate not in excess of the per diem equivalent of the maximum rate for grade 18 of the general schedule under the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), when performing their duties. They would also receive travel expenses as authorized for experts and consultants by section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2).

Advisory and coordinating committees

Section 203, in subsection (a), authorizes the Administrator to establish, for varying periods, other necessary advisory and coordinating committees composed of representatives of public and private organizations and other persons to obtain maximum cooperation, assistance, and local coordination in the development of a transportation system for the National Capital region. The committees would consider problems referred to them by the Administrator and make recommendations to him on matters of mutual interest.

Subsection (b) of section 203 provides that members of committees established under subsection (a) will receive no additional compensation for their activity on such committees, but authorizes members who are not Federal employees, to receive travel expenses as authorized for persons serving without compensation by section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2).

Preparation and approval of transit development program

Section 204, in subsection (a), requires the Agency to prepare a basic and comprehensive plan to be called the Transit Development Program and authorizes the Agency to revise such program from time to time. The program would consist of plans, including routes and locations, for facilities, for the transportation of persons in the National Capital region, a timetable for providing the facilities, and comprehensive financial reports on costs and revenues. The program is to conform, insofar as practicable, to general plans for the National Capital region developed under sections 3, 4, and 5 of the National Capital Planning Act of 1952 (66 Stat. 781).

Subsection (b) of section 204 requires the Agency, in preparing the transit development program, to give special consideration to (1) making expanded use of existing facilities and services, including expanded use and development of existing railroad lines, and coordinated and efficient transit service across jurisdictional boundaries and between areas served by different companies; (2) early development of a subway line; and (3) acquisition and development of rights-of-way for express transit lines in conjunction with major highways and bridges. This subsection also contains two provisos:

1. The Public Utilities Commission of the District of Columbia is required, before authorizing any further conversion from streetcar to bus operations by the District of Columbia Transit System, Inc., to consult with the Agency to determine whether there may be some use for streetcars in the latter's program. This Commission is authorized to bar further conversion, and to declare the conversion completed for the purposes of certain tax concessions made contingent on conversion in the company's franchise.

2. There is a prohibition against the construction of any freeway, or new parkway wider than two lanes, in a sector of Northwest Washington west of 12th Street and north of the Inner Loop and the freeways along the Potomac River, before July 1, 1962; and the Agency shall, not later than January 10, 1962, submit to the President, for transmittal to Congress, its recommendation as to whether any such freeway or parkway should thereafter be built.

Subsection (c) of section 204 provides that the Agency may not proceed to carry out any

part of the transit development program until that part of the program is approved in an appropriation act.

Subsection (d) of section 204 requires that the program and revisions thereof be submitted for review and comment to the governments of the District of Coulmbia; Montgomery, Prince Georges, Arlington, Fairfax, Loudoun, and Prince William Counties; the cities of Alexandria and Falls Church; the transit regulatory bodies of the region; any governmental organization concerned with community development problems in the National Capital region; the Commission on Fine Arts and the private transit companies of the region. The program and revisions thereof would also have to be submitted to the Governors of Maryland and Virginia for approval of the location and extent of Agency transportation facilities and the timetable for their provision in Maryland and Virginia, respectively. The Agency would not be permitted to acquire, construct, or operate any transportation facilities (including rights-of-way or parking lots) in Maryland or Virginia unless (1) the Governor of the State involved or his designee shall have approved the program or the revision thereof in which the pertinent facilities are set forth, or (2) the procedure prescribed in subsection (e) of section 204 is followed.

Subsection (e) provides that, until the program is approved as provided in subsection (d), the Agency may acquire, construct, or operate transportation facilities in Maryland or Virginia only if it submits plans and information thereon to the Governor of the State in which the facilities are to be located and secures his approval of such plans. The Governor may designate a government agency to act for him in this matter.

Subsection (f) directs the Agency to proceed with research, experimentation, surveys, and development on transportation needs and ways of meeting them.

Subsection (g) directs the Agency to make a study of the organizational and financing problem, and to submit its recommendations for any further legislation to the President for transmittal to Congress by November 1, 1962.

FUNCTIONS, DUTIES, AND POWERS

Subject to other provisions of title II, section 205, in paragraph (1) of subsection (a), provides that the Agency may acquire or construct facilities and other property for the transportation of persons in the National Capital region, and that the Agency may contribute funds to government agencies for limited acquisition of rights-of-way for, and construction of arterial highway facilities, if such contributions are deemed necessary to the fulfillment of the objectives of the act. It is anticipated that the authority to make contributions may be used to provide funds for construction of short essential connecting links in road systems, acquisition of median strips, and the like, which would be needed mainly for transit operations. The broad authority to acquire or construct facilities provided in this paragraph would be limited by the need to secure approval from Maryland and Virginia for the establishment of facilities in those States as provided in subsections (d) and (e) of section 204. The broad authority would also be limited by the proviso in paragraph (2) of subsection (a) of section 205 that the Agency shall not acquire the facilities or other property of private transit enterprises, operate buses or similar motor vehicles, or make agreements for the operation of buses in competition with existing transit companies. Paragraph (2), otherwise, authorizes the Agency to operate its facilities or enter in agreements with public or private establishments for their operation or use. Such operations are not to be undertaken until Congress has provided by legislation for labor relations of the agency. (Floor amendment.) Paragraph (3) requires the Agency to encourage expansion of private transit services.

Paragraph (4) of subsection (a) authorizes the Agency to lease its space or property and contract for the construction and operation of service facilities (such as cafeterias or shops at terminals) which will, in turn, encourage use of Agency transit facilities. The rentals, fees, and other charges on such leases and contracts are to be sufficient to prevent lessees and contractees from having an undue competitive advantage in the region. Lessees and contractees would also be required to comply with State and local building and zoning laws and regulations (including those of the District of Columbia).

Paragraph (5) of subsection (a) provides necessary general authority for the Agency to enter into contracts and other transactions with public and private establishments and other persons. Paragraph (6) authorizes the Agency to sell or lease advertising space or contract for disposal and use of such space, provided the lessees and contractees comply with applicable zoning and advertising laws and regulations. Paragraph (7) requires the Agency to cooperate with other Government agencies to coordinate development of arterial highway and transit facilities. While the Agency would have no authority or responsibility for arterial highway development, the language would permit maximum, mutually beneficial integration of highway and transit facilities. To assist in coordinating transit and highway development in the region, paragraph (7) provides for Government agencies to submit plans for arterial highways in the National Capital region to the Agency for review. This paragraph further requires the Agency to cooperate and, where possible, develop joint plans with other planning agencies and transportation regulation agencies in the National Capital region, especially the Washington Metropolitan Area Transit Commission which would be established under the Washington metropolitan area transit regulation compact, approved by Maryland and Virginia and now pending congressional approval.

Paragraphs (8) and (9) of subsection (a) authorize the Agency to make proposals for regulating the flow of traffic in the National Capital region and to study all phases of transportation including transit vehicle research and fiscal research. Authority to regulate the flow of traffic would remain vested in existing agencies.

Paragraphs (10) and (11) of subsection (a) authorize the Agency to appoint and fix the compensation of its personnel, require bonds, and employ experts and consultants at rates not to exceed the usual rates for similar services. The laws generally applicable to the Federal competitive civil service would apply to Agency personnel. The Administrator is further authorized to place five Agency positions in grades 16, 17, or 18 of the general schedule pursuant to provisions of section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), and such positions are to be in addition to the number authorized to be placed in such grades by that section.

Paragraph (12) of subsection (a) contains necessary general language authorizing the Agency to make expenditures from funds which may be appropriated by Congress.

Paragraph (13) of subsection (a) authorizes the Agency to designate the Board of Commissioners of the District of Columbia to design and build its facilities within the District.

Paragraph 14 of subsection (a) provides that the Agency, its property, income, and transactions are exempted from taxation, licenses, and fees, but that this exemption does not extend to the Agency's contractors, lessees, and others with whom it does business.

Subsection (b) of section 205 provides standard language authorizing other Federal and District of Columbia agencies to enter into any authorized agreements with the Agency. Subsection (c) makes condemnation actions and land acquisitions by the Agency subject to certain general laws governing Federal agencies. Cited are sections 355 of the Revised Statutes (40 U.S.C. 255) concerning title searches and validity of titles, the act of March 1, 1929, as amended, the act of August 1, 1888, as amended (40 U.S.C. 257), and the act of February 26, 1931 (40 U.S.C. 258), which vest in the Attorney General the function of initiating condemnation proceedings for Federal agencies. It is provided that no action in condemnation shall be undertaken in behalf of the Agency until a reasonable effort has been made to negotiate with the owner of the property.

Subsection (f) of section 205 contains the authorization for appropriations for the Agency.

TITLE III—AUTHORIZATION FOR NEGOTIATION OF INTERSTATE COMPACT

Interstate Proprietary Agency

Section 401, in subsection (a) gives to Maryland, Virginia, and the District of Columbia, the consent of Congress to their negotiating a compact to establish an agency to provide transportation facilities and perform other regional functions. Such agency would take over the functions of the Agency established in this act. The compact would become effective upon approval of Maryland and Virginia and the Congress. Subsection (b) requires the President to submit to Congress recommendations for transferring the Agency's assets and liabilities to the interstate agency as soon as possible after the interstate compact has been approved by Maryland and Virginia. Subsection (c) requires the President to appoint a Federal representative to the compact negotiations, and such representative, as provided in subsection (d), if not otherwise federally employed, would receive compensation at a rate not in excess of the per diem equivalent of the maximum rate for grade 18 of the general schedule under the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), together with travel expenses authorized for experts and consultants by section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 37b–2). Subsection (e) provides that the Federal representatives be provided with necessary space, engineering, and administrative aid, and subsection (f) provides that his compensation be paid from the White House Office appropriation for salaries and that other expenses under subsections (d) and (e) be paid from current appropriations selected by the heads of agencies designated by the President to pay such expenses.

Subsection (g) of section 401 authorizes the Agency to cooperate with compact representatives and to furnish information to them to the extent permitted by law.

Separability

Section 402 provides a standard separability clause.

Mr. BIBLE. Mr. President, I also ask unanimous consent to have inserted at this point in the RECORD the estimated costs of the National Capital Transportation Agency as compiled from the evidence that was brought before the joint committee.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

ESTIMATED COSTS OF THE NATIONAL CAPITAL TRANSPORTATION AGENCY

Operating expenses,[1] $500,000 per year.

Costs of land acquisition during first year or 18 months (for the most urgently needed transit rights-of-way in conjunction with new freeways), $1 million to $1,500,000.

Costs during first 3 years (mainly acquisition of transit right-of-way in conjunction with freeways), $20 million to $25 million.

Costs of construction of all facilities for express buses on freeways, plus first workable segment of subway system (first 8 years), $265 million.

Costs of entire system recommended by planning commissions, $600 million.

The PRESIDING OFFICER. The question is on passage of the House bill.

Mr. BIBLE. Mr. President, before the bill is put to a vote on final passage, may I express my thanks and gratitude to the members of the joint committee, the distinguished Senator from Maryland [Mr. BEALL], the distinguished Senator from Oregon [Mr. MORSE], and the equally distinguished Members in the other body, Representatives MCMILLAN, BROYHILL, and SMITH, who attended these hearings quite regularly. They have worked in unison in bringing forth a bill which, properly implemented, will go a long, long way in working out the complex transportation problems of the Washington metropolitan area.

I likewise would pay special tribute to Mr. Frederick Gutheim, staff director, who has labored so faithfully over the last 2 years in attempting to work out a myriad of metropolitan problems, and his able assistant, Mr. Harry Bain, and their able assistant, Mrs. Betty Kraus.

I now yield to the Senator from Maryland [Mr. BEALL].

Mr. BEALL. Mr. President, I simply take this opportunity to congratulate and thank the Senator from Nevada, who has worked so hard for more than 2 years on this subject. I also wish to commend the other members of the subcommittee, the joint committee, and the staff, but particularly the Senator from Nevada, who has worked so diligently, and without cease, for more than 2 years, on this proposed legislation.

This bill does not do all we would like it to do. I am glad to see we have had an amendment adopted affecting labor, the personnel who may be employed if and when the transit facilities are built. When the bill goes to conference, I believe a bill acceptable to all of us will be adopted.

The PRESIDING OFFICER. The question is on passage of House bill 11135.

The bill (H.R. 11135) was passed.

Mr. BIBLE. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

[1] Administrative expenses, preparation of transit development program, route location studies, preliminary engineering and design work, analysis of costs and revenues.

The motion was agreed to; and the Presiding Officer appointed Mr. BIBLE, Mr. MORSE, and Mr. BEALL conferees on the part of the Senate.

Mr. BIBLE. Mr. President, I ask unanimous consent that Calendar No. 1703, Senate bill 3193, be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SUBMISSION OF REPORTS BY RAILROADS WITH RESPECT TO CERTAIN ACCIDENTS

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1606, Senate bill 1964, the railroad accident reporting bill, and I ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1964) to amend the act requiring certain common carriers by railroad to make reports to Interstate Commerce Commission with respect to certain accidents in order to clarify the requirements of such act.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

RECENT STRIKE AT STACKPOLE CARBON CO., ST. MARYS, PA.

Mr. CLARK. Mr. President, my attention has been called to a statement about a recent strike at the Stackpole Carbon Co. in St. Marys, Pa., made in the course of certain remarks by the senior Senator from South Dakota [Mr. MUNDT] on May 26, 1960, appearing at page 11141 of the CONGRESSIONAL RECORD.

Local 502 of the International Union of Electrical, Radio, and Machine Workers hold collective-bargaining rights at the Stackpole Carbon Co. in St. Marys. Mr. Al Hartnett, secretary-treasurer of the IUE contends that the facts set forth in the statement of the Senator from South Dakota [Mr. MUNDT] are incorrect.

Accordingly, I asked Mr. Hartnett to prepare a statement describing his version of the true situation involved in the St. Marys strike. I ask unanimous consent that this statement in behalf of the IUE may be printed in the RECORD at the conclusion of my remarks. My office has, of course, advised the Senator from South Dakota [Mr. MUNDT] of my intention to place the statement in the RECORD at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I should like to know what is the request. Apparently it was in response to a statement made by my colleague. Has my colleague [Mr. MUNDT] been notified?

Mr. CLARK. The senior Senator from South Dakota [Mr. MUNDT] has been notified of my intention to place the statement in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY AL HARTNETT, SECRETARY-TREASURER OF THE INTERNATIONAL UNION OF ELECTRICAL, RADIO, AND MACHINE WORKERS

The strike to which Senator MUNDT referred was at the Stackpole Carbon Co. in St. Marys, Pa., where our local 502 holds collective bargaining rights. Senator MUNDT claims that the strike of 3½-month duration was ordered without the benefit "of a secret ballot authorization of the workers who were affected." In this he is wrong. A secret ballot election among the union members on the question of strike or no strike took place at the St. Marys public high school at a special meeting of the local union attended by 625 of its members at 7:30 p.m. on the evening of January 26, 1960.

The result of the balloting conducted in secret, I emphasize, was 485 for a strike, 89 against, with 2 voided ballots. The election was witnessed by a member of our international executive board. It was conducted in an orderly manner with the members approaching the balloting station from one side of the hall and passing out through the other. Their ballots were cast after a last offer of the employer was reported.

Senator MUNDT was further quoted in the CONGRESSIONAL RECORD as saying: "On Sunday, May 15, the balloting was held in the local school building (and here he speaks of the strike termination balloting) with the result that the workers voted by a ratio of 2 to 1 to accept the employer's last offer and return to work."

Here again Senator MUNDT is in error unless he means the last improved offer made by the company because of the existence of the strike, was voted upon.

The facts are that several important changes were made in the employer's offer as a result of the strike. The wage increase for 1960 was increased from 5 cents an hour to 8 cents an hour. Instead of 2 cents an hour for the elimination of inequities, 3 percent additional increase was provided to relieve inequities on jobs where they existed. The contract expiration date was changed from January 31 (5 days after the strike vote was taken) to March 21, 1963. If Senator MUNDT has experienced northwestern Pennsylvania winters, he will appreciate the significance in the change of the contract expiration date from January 31 to March 21. The weather grows warmer in March and makes more comfortable the democratic right to picket in the event the employer persists in his reluctance to enter into a fair and equitable agreement with the union and its members.

Another very important change was made in the agreement as a result of the strike. The Stackpole Carbon Co. has been of the habit—in conflict with generally accepted collective bargaining principles—of having supervisors do work which results in the layoff of production and maintenance employees. Three pages of new rules or limitations governing this type of activity were arrived at as a result of the strike.

Our pension agreement with this company was not due to expire until February of 1961. The company insisted on disregarding the terms of that agreement and wanted to combine next year's pension negotiations with

other collective bargaining negotiations properly scheduled to take place in this year and in that, too, they were frustrated as a result of the properly called strike decided upon by a secret ballot of the members of Local 502, IUE AFL–CIO.

Finally, I cannot accept Senator MUNDT's proposal that nonmembers of a union be permitted to participate in decisions of the union and this would be one of the effects of his proposed legislation.

He suggests that this kind of a ballot would in no way differ from those involved in the selection of bargaining representatives, authorization of union shop contracts, or emergency strike situations. That this is manifestly untrue must be obvious to Mr. MUNDT. He deals here with the internal operations of a union—an organization already in existence—not one whose right to exist is in question, as is the case in a certification election; or one whose right to have a union shop collective bargaining agreement is questioned; nor does he deal here with an emergency strike situation such as that contemplated by the National Labor Relations Act as it sets up balloting procedures.

In conclusion, I think I need hardly point out to you that IUE has a proud record for democracy and militancy and for safeguarding the rights of its members.

ORDER OF BUSINESS

Mr. SMATHERS. Mr. President, I understand the able Senator from Virginia desires to present a conference report on which he wishes the Senate to act. However, the bill I shall present will require only a few moments consideration of the Senate, if the Senate will be so kind as to permit action in that regard.

Mr. President, I ask unanimous consent that the able Senator from Nevada [Mr. CANNON] may present a bill, which he desired to do a moment ago, which somehow got lost in the shuffle.

DEFINITION OF TOTAL COMMISSIONED SERVICE OF CERTAIN OFFICERS OF THE NAVAL SERVICE

Mr. CANNON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of H.R. 12415.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 12415) to amend section 6387(b) of title 10, United States Code, relating to the definition of total commissioned service of certain officers of the naval service.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate proceeded to consider the bill.

Mr. CANNON. Mr. President, this bill is identical to S. 3734 Calendar No. 1746.

The House bill corrects a technical error contained in the Navy "hump" legislation enacted last year in the Congress. This error relates to the definition of total years of service. The House bill restores to this definition the same meaning it had prior to the enactment of the "hump" law.

The executive branch is highly desirous of having this bill passed immediately, since it should be signed into law prior to June 30, which is next Thursday. Otherwise, some of the officers scheduled to be retired under the "hump" legislation on June 30 of this year cannot be retired on this date and one of the principal purposes of the basic legislation cannot be carried out.

I urge the Senate to pass H.R. 12415.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 12415) was ordered to a third reading, read the third time, and passed.

Mr. CANNON. Mr. President, I move that S. 3734 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, S. 3734 will be indefinitely postponed.

SUBMISSION OF REPORTS BY RAILROADS WITH RESPECT TO CERTAIN ACCIDENTS

The Senate resumed the consideration of the bill (S. 1964) to amend the act requiring certain common carriers by railroad to make reports to the Interstate Commerce Commission with respect to certain accidents in order to clarify the requirements of such act.

Mr. SMATHERS. Mr. President, Calendar No. 1606, S. 1964, is a bill which would require the railroads to make reports of accidents with respect to injuries to their employees and to their passengers, and with respect to damage to property, in more nearly the same fashion and same manner required today of the airlines and motor bus companies.

Thus far the law has required, when there have been accidents, unless the injured person was unable to work for some 72 hours, the railroad company was not required to make any report of the accident. For many years the competing transportation services have felt the railroads should be brought more in line with the requirements under which they operate.

As a result of this particular argument the Subcommittee on Surface Transportation of the Committee on Interstate and Foreign Commerce held hearings, listened to both sides, and requested recommendations from the Interstate Commerce Commission.

As a result of those rather lengthy hearings we finally evolved that which we like to refer to as a sort of compromise measure. It was our judgment that the best way to resolve the problem was to require the railroads to make reports in regard to accidents involving injury to the employee or to the passenger, and even accidents involving damage to physical property, when the person was incapacitated for 24 hours or more. In such accidents it would be necessary to file the report with the Interstate Commerce Commission.

The very able Senator from Kansas [Mr. SCHOEPPEL], the ranking minority member on the Surface Transportation Subcommittee, I believe made the recommendation in regard to the limitation of 24 hours. In any event, the subcommittee adopted it. It was finally adopted by the full committee, I believe without a dissenting vote. It is our judgment that the Senate would be wise to adopt the proposal.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to my able friend from Kansas.

Mr. SCHOEPPEL. The distinguished Senator from Florida has had very much to do with this measure as chairman of the important Subcommittee on Surface Transportation. It has been a pleasure to work with the Senator.

I know the discussions which take place at the time bills and amendments are before the Senate for consideration provide some guidelines as to interpretation of any law which is passed. In that spirit I should like to ask the Senator a few questions.

First, what types of accidents will have to be reported to the ICC under the terms of the bill?

Mr. SMATHERS. An accident to a person, when the person is either an employee or a passenger, if the employee is away from work for a period of 24 hours and unable to do his job, or if the passenger is laid up for a period of 24 hours and is not able to do his job or is confined to his home unable to work, on doctor's orders. Any accident involving a personal injury for a period of 24 hours would have to be reported.

Mr. SCHOEPPEL. I should like to ask the Senator a question regarding reports which must be made of accidents involving nonoperating personnel employed by other industries.

Must reports be made of accidents involving nonoperating personnel employed by the airline industry?

Mr. SMATHERS. The answer to that question is "Yes," although the laws are not necsesarily uniform. Today all of the major industries are required to make reports on accidents to the appropriate agency which regulates the industry.

Mr. SCHOEPPEL. Reports must be made of accidents involving nonoperating personnel employed by the trucking industry?

Mr. SMATHERS. The Senator is correct.

Mr. SCHOEPPEL. And the same is true with regard to the maritime and water carrier industry?

Mr. SMATHERS. The Senator is correct.

Mr. SCHOEPPEL. And that is also true with regard to the interstate bus industry?

Mr. SMATHERS. The Senator is correct.

Mr. SCHOEPPEL. If the Senator will indulge me for a moment or two, I wish to say that I do not believe the committee desired that this proposed legislation should become a means for aiding lawyers in preparation of injury cases for trial. I am hopeful the rules and regulations of the ICC will provide some means of keeping the information reported to them on a restricted basis, which will be for their own administrative use. In my opinion, there is no public need for disclosure of the names of employees who may have been involved in any accident, whether it be a major one or a trivial accident.

In other words, as the phrase is used quite often, we do not wish to have "ambulance chasing" result. Does the Senator from Florida concur with me on that?

Mr. SMATHERS. I concur with the Senator from Kansas. Actually, the Interstate Commerce Commission rules now provide that the names are not to be released. The Commission releases only the numbers of accidents, but does not release the names of the persons involved.

It is to be presumed that the Interstate Commerce Commission—and certainly based upon the legislative record we are making—will be informed it is the will of the Congress that the Interstate Commerce Commission continue to follow the practice of not revealing the names of individual persons involved in accidents.

Mr. SCHOEPPEL. I appreciate the Senator's comments.

I have one further and final statement which I desire to make.

The committee, as I understand it, has recommended that the ICC have broad power to promulgate and prescribe a method and the form of making reports. Can the Senator assure me that under such rules and regulations the railroads of this country will not be burdened with filing unnecessary reports on trivial personal injury accidents and on accidents involving minor property damage to railroad property?

Does the Senator concur with me that there is no desire to cause an undue burden in regard to reports to be filed?

Mr. SMATHERS. I again concur with the able Senator from Kansas. Obviously, the bill is not intended to be a burden on anyone. If that were the only purpose of the legislation, it should not be passed. I agree with the able Senator from Kansas that the Interstate Commerce Commission, in formulating its regulations under the authority granted in the bill, should not promulgate regulations on unimportant or trivial matters which are irksome or burdensome to the carriers.

Mr. SCHOEPPEL. I thank the distinguished Senator.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield to the able Senator from New York.

Mr. JAVITS. We have received information that the railroads were opposed to the bill, but that railroad labor favored it. Of course, that is not unusual in respect of legislation.

However, I note that the ICC, according to its letter of June 24, 1959, which is contained in the committee report, is opposed to the bill also. Has anything been done to meet the objections which were raised by the ICC in respect to this bill?

Mr. SMATHERS. The ICC objected to the fact that the bill originally required the railroads to have filed with them a report on any accident without any limitations whatsoever. That provision, of course, has been changed to provide now that reports will be required only when the people injured cannot perform their regular work for 24 hours. So I think essentially such provision takes care of the primary objection of the Interstate Commerce Commission.

Actually, the ICC was, in point of fact, not completely desirous of taking on the job which would result from the enactment of the proposed legislation, because, as I said, they would be required to increase their personnel, and they would require additional space in which to store the accident reports, should they become numerous. But a somewhat similar reporting requirement exists with respect to motor carriers, and so all that is proposed is to make the procedure more nearly uniform as between the railroads and the motor carriers, insofar as the ICC is concerned.

Mr. JAVITS. Have either the ICC or the railroads changed their position about the bill in view of the more limited character of the bill?

Mr. SMATHERS. I think the ICC has changed its position about it. I do not believe the railroads have.

Mr. JAVITS. Can the Senator state in a word why he wishes the bill to pass nonetheless?

Mr. SMATHERS. I think it needs to be passed, because we need to bring about equity and balance and similar treatment with respect to other industry and competing modes of transportation. Members of the airline and motorbus industries are in varying degrees required to make accident reports of this type now. We think there is no sound reason for saying that the railroads should not also make the same kind of reports.

Mr. JAVITS. Can the Senator from Florida give us one further assurance. I know the Senator from Florida well enough to have great faith in his recommendation. The Senator recommends to the Senate that this is a fair thing to do. I would just like to suggest that the Senator put on record the fact that if the fears of the railroads—that this bill may cause really an onerous and difficult burden—prove to be well founded, the Senator will have an open mind and be ready to serve the interest of undoing the requirement if it turns out to be wrong.

Mr. SMATHERS. There is no question about it.

Mr. JAVITS. I thank my colleague.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 8, after the word "amended", to strike out "(1) by inserting 'any' before 'injury', and (2) by striking out 'under such rules and regulations as may be prescribed by the said Commission'." and insert "to read as follows:

" 'It shall be the duty of the general manager, superintendent, or other proper officer of every common carrier engaged in interstate or foreign commerce by railroad to make to the Interstate Commerce Commission, at its office in Washington, District of Columbia, a monthly report, under oath, of all collisions, derailments, or other accidents resulting in death or injury to any person sufficient to incapacitate such person from performing his regular work for 24 hours or more, or damage to equipment or roadbed arising from the operation of such railroad, which report shall state the nature and causes thereof and the circumstances connected therewith: *Provided,* That hereafter all said carriers shall be relieved from the duty of reporting accidents in their annual financial and operating reports made to the Commission.' "; on page 2, line 22, after the word "reports", to strike out "required in this Act" and insert "hereinbefore provided"; in line 24, after the word "Act", to strike out the comma and "but nothing in this Act shall be deemed to"; in line 25, after the amendment just above stated, to insert a colon and "*Provided however,* That this shall not"; on page 3, line 1, after the word "way", to strike out "such"; in the same line, after the word "reports", to insert "required under this Act"; in line 3, after the word "in", to strike out "any"; and in line 4, after the word "railroad", to insert "as provided in section 1 of this Act"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act requiring common carriers engaged in interstate and foreign commerce to make full reports of all accidents to the Interstate Commerce Commission, and authorizing investigations thereof by said Commission", approved May 6, 1910 (45 U.S.C., sec. 38), is amended to read as follows:

"It shall be the duty of the general manager, superintendent, or other proper officer of every common carrier engaged in interstate or foreign commerce by railroad to make to the Interstate Commerce Commission, at its office in Washington, District of Columbia, a monthly report, under oath, of all collisions, derailments, or other accidents resulting in death or injury to any person sufficient to incapacitate such person from performing his regular work for 24 hours or more, or damage to equipment or roadbed arising from the operation of such railroad, which report shall state the nature and causes thereof and the circumstances connected therewith: *Provided,* That hereafter all said carriers shall be relieved from the duty of reporting accidents in their annual financial and operating reports made to the Commission."

SEC. 2. Section 5 of such Act of May 6, 1910, is amended to read as follows:

"SEC. 5. The Interstate Commerce Commission is authorized to prescribe such rules and regulations and such forms for making the reports hereinbefore provided as are necessary to implement and effectuate the purposes of this Act: *Provided, however,* That this shall not authorize the Commission to limit in any way reports required under this Act of all collisions, derailments, or other accidents resulting in injury to persons, equipment, or roadbed arising from the operation of such railroad as provided in section 1 of this Act."

SEC. 3. Section 7 of such Act of May 6, 1910, is amended (1) by inserting "(a)" after "SEC. 7.", and (2) by inserting at the end thereof a new subsection as follows:

"(b) The phrase 'arising from the operation of such railroad', as used in this Act, shall include all activities of the railroad which are related to the performance of its transportation business."

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1964) was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960—CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 27, 1960, p. 14542, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD of Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CANNON in the chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 11646) to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 8186. An act to amend titles 10 and 14, United States Code, with respect to reserve commissioned officers of the Armed Forces;

H.R. 8226. An act to add certain lands to Castillo de San Marcos National Monument in the State of Florida;

H.R. 9322. An act to make permanent the existing suspension of duties on certain coarse wool;

H.R. 9862. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing, and to extend suspension of duty on imports of casein; and

H.R. 9881. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, at its meeting the majority policy committee cleared for scheduling the following measures still remaining on the Senate Calendar. I should like to list them in the RECORD at this point for the information of all Senators if they should have any reason for wishing to read the reports on them or discussing them with the minority leader or with the majority leader concerning the times they will be scheduled, and so forth:

Calendar No. 1581, S. 1868, to provide for the regulation of credit life insurance and credit accident and health insurance in the District of Columbia.

Calendar No. 1607, H.R. 4601, to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes.

Calendar No. 1610, H.R. 10596, to change the method of payment of Federal aid to State or territorial homes for the support of disabled soldiers, sailors, airmen, and marines of the United States.

Calendar No. 1654, S. 2917, to establish a price support level for milk and butterfat.

Calendar No. 1671, S. 3421, to amend the Federal Employees' Group Life Insurance Act.

Calendar No. 1675, S. 3650, to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936.

Calendar No. 1678, H.R. 10, to encourage the establishment of voluntary pension plans by self-employed individuals.

Calendar No. 1679, H.R. 9662, to make technical revisions in the income tax provisions of the Internal Revenue Code of 1954 relating to estates, trusts, partners and partnerships, and for other purposes.

Calendar No. 1681, H.R. 5055, to change certain restriction on the use of certain real property heretofore conveyed to the city of St. Augustine, Fla., by the United States.

Calendar No. 1683, S. 3483, to make the antitrust laws and the Federal Trade Commission Act applicable to the organized team sport of baseball and to limit the applicability of such laws so as to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey, and for other purposes.

Calendar No. 1684, H.R. 3313, to amend section 200 of the Soldiers and Sailors Civil Relief Act of 1940 to permit the establishment of certain facts by a declaration under penalty of perjury in lieu of an affidavit.

Calendar No. 1689, H.R. 9201, to validate certain mining claims in California.

Calendar No. 1691, S. 2709, directing the Secretary of the Interior to convey to the city of Flandreau, S. Dak., any interest remaining in the United States to certain property which it conveyed to such city by the act of August 21, 1916.

Calendar No. 1692, S. 2914, to authorize the purchase and exchange of land and interests therein on the Blue Ridge and Natchez Trace Parkways.

Calendar No. 1693, S. 3264, to abolish the Arlington Memorial Amphitheater Commission.

Calendar No. 1694, S. 3399, to authorize the exchange of certain property within Shenandoah National Park, in the State of Virginia, and for other purposes.

Calendar No. 1696, H.R. 8740, to provide for the leasing of oil and gas interests in certain lands owned by the United States in the State of Texas.

Calendar No. 1697, H.R. 9142, to provide for payment for land heretofore conveyed to the United States as a basis for lien selections from the public domain, and for other purposes.

Calendar No. 1698, H.R. 11953, to provide for the assessing of Indian trust lands and restricted fee patent Indian lands within the Lummi Indian diking project in the State of Washington.

Calendar No. 1699, H.R. 3122, directing the Secretary of the Interior to issue a homestead patent to the heirs of Frank L. Wilhelm.

Calendar No. 1700, S. 3267, to amend the act of October 17, 1940, relating to the disposition of certain public lands in Alaska.

Calendar No. 1701, H.R. 6597, to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto and for other purposes.

Calendar No. 1702, S. 2757, to supplement the act of June 14, 1926, as amended, to permit any State to acquire certain public lands for recreational use.

Calendar No. 1705, S. 3195, to exempt from taxation certain property of the Army Distaff Foundation.

Calendar No. 1706, S. 3258, to amend the District of Columbia Alcoholic Beverage Control Act.

Calendar No. 1707, S. 3274, to permit certain veterans pursuing courses of vocational rehabilitation training to continue in pursuit thereof for such period as may be necessary to complete such courses.

Calendar No. 1708, H.R. 4306, act to provide education and training for the children of veterans dying of a service-connected disability incurred after January 31, 1955, and before the end of compulsory military service.

Calendar No. 1709, S. 3275, to extend, with respect to World War II veterans, the guaranteed loans programs under chapter 37 of title 38, United States Code, to February 1, 1965.

Calendar No. 1710, H.R. 7758, to improve the administration of oversea ac-

tivities of Government of the United States, and for other purposes.

Calendar No. 1711, S. 3228, to amend the provisions of part II of the Interstate Commerce Act which authorize certain operations within a State as a common carrier by motor vehicle engaged in interstate or foreign commerce if State authorized.

Calendar No. 1712, S. 3416, to provide for the restoration to the United States of amounts expended in the District of Columbia in carrying out the Temporary Unemployment Compensation Act of 1958.

Calendar No. 1713, S. 2363, to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons and for other purposes.

Calendar No. 1714, House Joint Resolution 397, to enable the United States to participate in the resettlement of certain refugees.

Calendar No. 1715, H.R. 10021, providing a uniform law for the transfer of securities to and by fiduciaries in the District of Columbia.

Calendar No. 1717, S. 2806, to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road thereto in the State of Arizona and for other purposes.

Calendar No. 1718, S. 3623, to designate and establish that portion of the Hawaii National Park on the island of Maui in the State of Hawaii as the Haleakala National Park, and for other purposes.

Calendar No. 1719, H.R. 6179, to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr.

Calendar No. 1720, Senate Resolution 329, to provide additional funds for the Committee on Interior and Insular Affairs.

Calendar No. 1721, Senate Resolution 330, to study the conditions in American Samoa.

Calendar No. 1722, Senate Resolution 333, to print additional copies of the report entitled "Documentation, Indexing, and Retrieval of Scientific Information."

Calendar No. 1723, Senate Resolution 335, to provide funds for the Committee on Appropriations.

Calendar No. 1724, Senate Resolution 343, to pay a gratuity to Thelma Marguarette Hedge.

Calendar No. 1725, Senate Resolution 342, to pay a gratuity to Leon R. De Ville, Jr.

Calendar No. 1726, Senate Resolution 341, to pay a gratuity to Rosanne Willcox Purvis.

Calendar No. 1727, Senate Resolution 337, to print a certain number of copies of the prayers of the Chaplain of the Senate for the 85th and 86th Congresses.

Calendar No. 1728, Senate Resolution 328, amending Senate Resolution 244, authorizing the Committee on Interstate and Foreign Commerce to investigate certain matters within its jurisdiction.

Calendar No. 1729, Senate Joint Resolution 176, authorizing the preparation and printing of a supplement to the Constitution of the United States of America Annotated, as published in 1953 as Senate Document 170, 82d Congress.

Calendar No. 1730, Senate Concurrent Resolution 107, to print for the use of the Internal Security Subcommittee of the Senate Judiciary Committee, copies of certain publications.

Calendar No. 1731, House Concurrent Resolution 691, authorizing the disposal of certain publications now stored in the folding room of the House of Representatives and the Warehouse of the Senate.

Calendar No. 1732, H.R. 7965, to amend section 612 of title 28, United States Code, to authorize outpatient treatment incident to authorized hospital care for certain veterans.

Calendar No. 1733, H.R. 9751, for the relief of Mrs. Icile Helen Hinman.

Calendar No. 1734, H.R. 9541, to amend section 109(g) of the Federal Property and Administrative Services Act of 1949.

Calendar No. 1735, Senate Resolution 344, relating to pay of clerical and other assistants as affected by termination of service of appointed Senators.

Calendar No. 1737, Senate Joint Resolution 152, authorizing the creation of a commissioner to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson.

Calendar No. 1739, S. 2587, to require an act of Congress for public land withdrawals in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government.

Calendar No. 1741, House Joint Resolution 627, to authorize appropriations incident to U.S. participation in the International Bureau for the Protection of Industrial Property.

Calendar No. 1742, S. 3558, to authorize and direct the transfer of certain Federal property to the Government of American Samoa.

Calendar No. 1743, H.R. 8212, to amend title 10, United States Code, with respect to the procedure for ordering certain members of the Reserve components to active duty, and for other purposes.

Calendar No. 1744, S. 3733, to place Naval Reserve Officers Training Corps graduates (Regulars) in a status comparable with U.S. Naval Academy graduates.

Calendar No. 1745, H.R. 9702, to amend section 2771 of title 10, United States Code, to authorize certain payments of deceased member's final accounts without the necessity of settlement by General Accounting Office.

Calendar No. 1747, H.R. 5040, to amend and clarify reemployment provisions of the Universal Military Training and Service Act, and for other purposes.

Calendar No. 1748, H.R. 11787, to authorize a continuation of flight instruction for members of the Reserve Officers' Training Corps until August 1, 1964.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1961

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate make as its unfinished business Calendar No. 1754, H.R. 12231.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 12231) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. JOHNSON of Texas. Mr. President, earlier today, the distinguished Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, called up the conference report. The Senate has been delayed in reaching the consideration of the report because other bills which have been brought up took more time for consideration than it was expected they would take. The Senator from Virginia is now prepared to make his statement.

I am informed that some Senators do not desire to have a yea-and-nay vote on the conference report this evening. I am prepared to ask the Senate to remain in session until late this evening if there is any possibility of voting on the report. As I said earlier today, we shall try to accommodate as many Senators as possible. Some of them are unable to be prepared to vote on the conference report tonight.

Unless it is possible to obtain a unanimous-consent agreement, I shall ask the Senate to remain in session until a reasonable hour, so that all the arguments which Senators believe should be made may be made this evening. The Senate will convene early tomorrow morning.

Mr. CLARK. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. Would the Senator object to having a quorum call, so that the Senator from Minnesota [Mr. MCCARTHY] and I may have a brief conference?

Mr. JOHNSON of Texas. We have just finished a quorum call. We had a quorum call which we finished within the last minute. It has not been a minute since it was concluded.

Mr. CLARK. Very well.

Mr. BYRD of Virginia. Mr. President, the conference report on H.R. 12381 is to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates. The Senate accepted the provisions of the House bill in this respect, but added to it four amendments. The Senate conferees conferred with the House conferees on the four amendments added by the Senate.

Amendment No. 1: This was a technical amendment adding to the bill a new heading: "Title I—Miscellaneous Provisions." The House conferees receded on this amendment.

Amendment No. 2: This Senate amendment repealed the 4-percent dividend credit with respect to dividends received from domestic corporations. The House conferees refused to accept this amendment, and we were forced to recede in order to secure a conference agreement.

Amendment No. 3: This amendment added a new section 302 to the bill, relating to the disallowance as trade or business expenses of deductions of certain expenditures for entertainment, gifts, and club dues. The House conferees were sympathetic with the objective of the amendment, but believed that the language was too vague and far reaching in its implications to accomplish the purpose intended. For that reason, they refused to agree to the amendment in its present form. In fact, most of the argument in the conference concerned this amendment. Finally, the Senate conferees were able to persuade the House conferees to accept a substitute for Senate amendment No. 3. This substitute added a new section 301 to the bill.

Subsection (a) of new section 301 added to the bill under the conference agreement provides for an investigation and report by the Joint Committee on Internal Revenue Taxation with respect to the treatment of entertainment and certain other expenses. Under this provision, the joint committee is to make a full and complete investigation and study of the operation and effects of present law, regulations, and practices relating to the deduction—as ordinary and necessary business expenses—of expenses for entertainment, gifts, dues or initiation fees in social, athletic, or sporting clubs or organizations, and similar or related items. The joint committee is to report to the House of Representatives and to the Senate the results of its investigation and study as soon as practicable during the 87th Congress, together with the recommendations of the joint committee for any changes in the law and administrative practices which in its judgment are necessary or appropriate.

Subsection (b) of the new section 301 provides for a report by the Secretary of the Treasury of the results of the recently adopted enforcement program of the Internal Revenue Service relating to the deduction—as ordinary and necessary business expenses—of expenses for entertainment, travel, yachts, hunting lodges, club dues, and similar or related items, together with such recommendations with respect thereto as he considers necessary or appropriate to avoid misuse of the business expense deduction. The report is to be made to the House of Representatives and to the Senate as soon as practicable during the 87th Congress.

On April 4, 1960, the Internal Revenue Service issued Technical Information Release No. 221 in order to secure additional information from corporations, partnerships, and proprietorships at the time when they file their business income returns for taxable years beginning after December 31, 1959.

The additional information required relates to deductions claimed for:

First. Allowances—including expense account allowances—paid to or on behalf of certain officers, employees, partners, and proprietors;

Second. The use of hunting lodges, working ranches and farms, fishing camps, resort properties, pleasure boats and yachts, and similar facilities;

Third. The use of hotel rooms and suites, apartments, and other dwellings;

Fourth. The attendance of members of families of officers and employees at conventions or business meetings; and

Fifth. Vacations for officers or employees, or members of their families.

Technical Information Release No. 221 also states that the field offices of the Internal Revenue Service have been instructed to place increased emphasis on the examination of returns involving entertainment, travel, and expenses of a similar nature.

Subsection (c) of the new section 301 provides that the staff of the Joint Committee on Internal Revenue Taxation, and the staff of the Secretary of the Treasury, are to consult and cooperate with each other in performing any duties assigned to carry out the purposes of the new section 301.

I believe that the substitute will provide a way to put a stop to the practices toward which Senate amendment No. 3 was directed and that if these practices cannot be prevented under the existing law, appropriate legislation will be proposed to remove these abuses.

The need for the study which the conferees agreed should be made is pointed up by some of the problems which would have arisen under the amendment adopted by this body. The amendment would disallow any deduction for entertainment expenses except expenses for food or beverages. It is understood that the amendment is not intended to affect legitimate advertising expenses. However, it is extremely difficult to devise a statutory distinction between gifts and entertainment on the one hand and advertising on the other. One of the cases most widely cited to show that present law permits abuses of business expense deductions is the case of a big game hunting expedition in Africa undertaken by the principal owners of a dairy. In allowing the deduction of the expenses for this safari, the Tax Court stated that "the evidence shows that advertising of equal value to that here involved could not have been obtained for the same amount of money in any more normal way." In another case a corporation was able to deduct the cost of maintaining show horses and Russian wolfhounds as an advertising expense over the contention of the Commissioner that the exhibition of these animals was a hobby of the corporation, as a controlling stockholder.

The status of gifts, both as to deductibility by the payor and taxability to the recipient, is one of the most difficult areas in the Internal Revenue Code. This is pointed up by three cases decided just this month by the Supreme Court where taxpayers contended that items received by them in various business relations were nevertheless nontaxable gifts.

The term "gift," within the meaning of the Code, does not apply to the extent the donor receives something of value in return. Thus, taxpayers can validly argue that the amendment has no application where a payment is in fact made to advertise, to compensate, to develop good will, or to effectuate other business purposes. In the short time we have had to study this proposal, it has become apparent that it is very broad, and possibly affects many other provisions of the Code in such a way as to bring about unintended results. We cannot be sure that these results will not ensue. For example, gifts to widows of deceased employees, which currently are fully deductible by employers, may be limited to $10. Similarly, the payment of certain scholarship and fellowship payments by employers to employees, excludible from the income of the recipients, and fully deductible by the employers as compensation, may be deductible only to the extent of $10 per employee per year. The deduction in this area should not be confused with the charitable contribution deduction permitted under section 170.

These examples barely begin to touch on the many problems we found could arise under the Senate amendment. Another reason for deferring legislation in this area until completion of a study and report by the Joint Committee and by the Treasury Department is that the Internal Revenue Service announced in Technical Information Release No. 221, less than 3 months ago, a new program of reporting requirements and enforcement activities dealing with a variety of items in this area. These reporting requirements will go to such items frequently claimed as business-expense deductions as yachts, hunting lodges, trips to conventions and vacation resorts, the renting or ownership of hotel rooms, and other similar facilities, and so forth. I share the hope of the Treasury Department that this improved program of reporting will not only eliminate many of the abuses in this area but also will point the direction for fair and workable corrective legislation.

Amendment No. 4: This is the amendment offered to the bill by the Senator from Tennessee [Mr. GORE]. It deals with the so-called cutoff point for the processing of minerals for purposes of determining the rate on which percentage depletion is computed for various minerals and other items. This amend-

ment was approved by the Senate by a vote of 87 to 0.

Today, the Supreme Court has handed down a decision on this question. The decision—as I understand it—is in favor of the Government's position. I ask unanimous consent that the decision be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—No. 513, OCTOBER TERM, 1959

(*United States of America, Petitioner,* v. *Cannelton Sewer Pipe Company* (on writ of certiorari to the U.S. Court of Appeals for the Seventh Circuit), June 27, 1960.)

Mr. Justice Clark delivered the opinion of the Court:

This income tax refund suit involves the statutory percentage depletion allowance to which respondent, an integrated miner-manufacturer of burnt clay products from fire clay and shale, is entitled under the Internal Revenue Code of 1939.[1]

The percentage granted by the statute is on respondent's "gross income from mining." It defines "mining" to include the "ordinary treatment processes normally applied by mine owners * * * to obtain the commercially marketable mineral product or products." Respondent claimed that its first "commercially marketable mineral product" is sewer pipe and other vitrified articles. Alternatively, it contended that depletion should be based on the price of 80 tons of ground fire clay and shale actually sold during the tax year in question. The District Court agreed with respondent's first claim. The Court of Appeals affirmed, holding that respondent could not profitably sell its raw fire clay and shale without processing it into finished products, and that its statutory percentage depletion was therefore properly based on its gross sales of the latter (268 F. 2d 334). The Government contends that the product from which "gross income from mining" is computed is an industrywide test and cannot be reduced to a particular operation that a taxpayer might find profitable. The Government further argues that, while the statute permits ordinary treatment processes normally applied by miners to the raw product of their mines to produce a commercially marketable mineral product, it does not embrace the fabrication of the mineral product into finished articles. In view of the importance of the question to taxpayers as well as to the Government, we granted certiorari (361 U.S. 923). We disagree with respondent's contention that the issue is not presented by this record, and we therefore reach the merits. We have concluded that, under the mandate of the statute, respondent's "gross income from mining" under the findings here is the value of its raw fire clay and shale, after the application of the ordinary treatment processes normally applied by nonintegrated miners engaged in the recovery of those minerals.[2]

I

During the tax year ending November 30, 1951, the respondent owned and operated an underground mine from which it produced fire clay and shale in proportions of 60 percent fire clay and 40 percent shale. It transported the raw mineral product by truck to its plant at Cannelton, Indiana, about one and one-half miles distant. There it processed and fabricated the fire clay and shale into vitrified sewer pipe, flue lining and related products. In this process, the clay and shale is first ground into a pulverized form about as fine as talcum powder. The powder is then mixed with water in a pug mill and becomes a plastic mass, which is formed by machines into the shape of the finished ware desired. The ware is then placed in dryers where heat of less than 212° is applied to remove all of the water. This process takes from 12 hours to 3 weeks, depending on the size of the ware. Thereafter the ware is vitrified in kilns at 2,200° Fahrenheit, requiring from 60 to 210 hours. It is then cooled, graded and either shipped or stored.

Not all clays and shales are suitable for respondent's operations. They must have plasticity, special drying qualities and be able to withstand high temperatures. Respondent's clay, known as Cannelton clay, is the deepest clay mined in Indiana and, respondent says, yields the best sewer pipe. Its cost of removing and delivering the same to its plant was $2,418 per ton in 1951. Respondent used some 38,473 tons of clay and shale in its operations that year and sold approximately 80 tons of ground fire clay and shale in bags at a price of $22.88 per ton. Net sales of its finished wares amounted to approximately one and a half million dollars.

In connection with its tax assessment for the year in question, respondent filed a document in which it stated that "we used as a basis for calculating the gross income from our mining operations of shale and fire clay the point in our manufacturing operations at which we first arrive with a commercially marketable product, which is ground fire clay. This product arrives after the raw mineral is crushed and granulated to such extent that by the addition of water it can be made into a mortar for use in laying or setting fire or refractory brick. This ground fire clay has a definite market and an ascertainable market value at any particular time and is the same product from which our end product, sewer tile, is made simply by the addition of water and the necessary baking process." In this return it based the value of the ground fire clay at $22.81 per ton, the price for which it sold some 80 tons of that material in bags during 1951. At this figure the depletion allowance would have been slightly above $2 per ton. Thereafter respondent claimed error and asserted that its mineral product, rather than being commercially marketable when it reached the stage of ground fire clay, only become commercially marketable when it became a finished product; i.e., sewer pipe. On this basis, the depletion allowance on petitioner's gross income would be approximately $4 per ton, since the mineral would have a value of about $40 per ton. On the other hand, if the mineral it used in 1951 was valued at $1.60 to $1.90 per ton, the going price elsewhere in Indiana, the depletion allowance would be approximately 20 cents per ton.

The record shows and the District Court found that in 1951 there were substantial sales of raw fire clay and shale in Indiana, mostly in the vicinity of Brazil, about 140 miles from Cannelton. The average price there was $1.60 to $1.90 per ton for fire clay and $1 per ton for shale. Transportation costs from Brazil to Cannelton ran from $4.58 to $5.50 per ton. In Kentucky, across the river from respondent's plant, it appears that fire clay and shale of the same grade were mined and sold[3] before, during and subsequent to 1951. In fact, since 1957 respondent has secured all of its mineral requirements from this source on a lease basis under which the lessor mines and delivers the raw material to its plant. The exact cost is not shown, but the haul in 1957 from pit to plant, including the ferry crossing, was some seven miles.

II

We have carefully studied the legislative history of the depletion allowance, including the voluminous materials furnished by the parties, not only in their briefs but in the exhaustive appendices and the record.[4] We shall not burden this opinion with its repetition.

In summary, mineral depletion for tax purposes is an allowance from income for the exhaustion of capital assets. *Anderson* v. *Helvering* (310 U.S. 404 (1940)). In addition, it is based on the belief that its allowance encourages extensive exploration and increasing discoveries of additional minerals to the benefit of the economy and strength of the Nation. We are not concerned with the validity of this theory or with the statutory policy. Our sole function is application of the congressional mandate. A study of the materials indicates that percentage depletion first came into the tax structure in 1926, when the Congress granted it to oil and gas producers. The percentage allowed was based on "gross income from the property," which was described as "the gross receipts from the sale of oil and gas as it is delivered from the property." Preliminary Report, Joint Committee on Internal Revenue Taxation, Vol. I, Part 2 (1927). The report continued that, as to the integrated operator, "the gross income from the property must be computed from the production and posted price of oil, as the gross receipts from a refined and transported product cannot be used in determining the income as relating to an individual tract or lease." The Treasury Regulations confirmed this understanding. Treas. Reg. 74 (1929 ed.), Arts. 221(i), 241.

Thereafter, in 1932, percentage depletion was extended to metal mines, coal, and sulphur. The representative of the American Mining Congress, Alex R. Shepherd, urged in a report to the Congress[5] that depletion for metal mines be computed, as in the oil and gas industry, on a percentage-of-income basis, and the Revenue Act of 1932 was so drawn. The Shepherd Report pointed out that the percentage basis for oil and gas depletion had been in force for over a year

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[1] The applicable provisions of the Code are § 23(m) and § 114(b)(4). In general, they provide for a depletion allowance based on a percentage of "gross income from mining," which is specifically defined. See note 8, *infra*. The percentage permitted on shale is 5%, and on fire clay, 15%.

[2] The quantity of ground and bagged fire clay and shale actually sold is too negligible to furnish an appropriate basis for computing depletion.

[3] The evidence indicates that, for $50, Owensboro Sewer Pipe Company bought from L. R. Chapman five acres of ground under which the shale and clay deposits lay. Contemporaneously it made a contract with L. R. Chapman, Inc., to mine and deliver shale and fire clay from this tract to the Owensboro plant for $1.40 per ton. Chapman also testified that in addition he furnished shale and fire clay to other manufacturers in the same area in Kentucky. The arrangements varied. Some were similar to the Owensboro agreement, while others, were leases on a royalty basis with a contemporaneous agreement to mine and deliver the clay at a set price. The exact year or years are not clear, but appear to have been between 1949 and 1956. Respondent began using shale and fire clay from the same source by lease arrangement in 1957. The reason for lease arrangements and paper transfer of title is not shown. However, Chapman testified that the manufacturers "didn't seem to want to do the prospecting or the sampling until they were sure they could get either a lease or a deed."

[4] The briefs cover 294 pages and the appendices an additional 685, not including 10 charts. The record is 276 pages.

[5] Preliminary Report on Depletion, Staff Report to the Joint Committee on Internal Revenue Taxation (1930), Appendix XXXI (Shepherd report).

and had "functioned satisfactorily both from economical and administrative viewpoints and without loss of revenue." It added that "careful study of this method as applied to metal mines indicates that the same results will be attained in practice as in the case of oil and gas," but that, because of varied practices in the mining industry, it would be necessary to determine "the point in accounting at which" gross income from the property mined could be calculated. It recommended that "it is logical to peg 'gross income from the property' f.o.b. cars at mine," i.e., net smelter returns, recognizing that processing beyond this point should not be included in calculating "gross income from the property." While as to certain metals, viz., gold, silver, or copper, the report suggested that gross income should be based on receipts from "the sale of the crude, partially beneficiated or refined" product, this was but to make provision for the specific operations of miners in those metals. In this regard the report also proposed that the depreciation base "in the case of all other metals, coal and oil and gas, [should be] the competitive market receipts, or its equivalent, received from the sale of the crude products, or concentrates on an f.o.b. mine, mill, or well basis."

The Congress in fashioning the 1932 Act took into account these recommendations of the industry. It incorporated a provision in the Act allowing percentage depletion for coal and metal mines and sulphur, based on the "gross income from the property." § 114 (b)(4), Revenue Act of 1932, 47 Stat. 169. On the following February 10, 1933, the Treasury issued its Regulation 77, which defined "gross income from the property" as "the amount for which the taxpayer sells (a) the crude mineral product or (b) the product derived therefrom, not to exceed in the case of (a) the representative market or field price * * * or in the case of (b) the representative market or field price * * * of a product of like kind and grade from which the product sold was derived, before the application of any processes * * * with the exception of the processes listed. * * *" Treas. Reg. 77, Art. 221(g). These exceptions listed processes normally in use in the mining industry for preparing the mineral as a marketable shipping product. The regulation was of unquestioned validity and, in 1943, at the instance of the industry, the Congress substantially embodied it into the statute itself, 58 Stat. 21, 44, including the basic definition of the term "gross income from the property."[6] Since that time the section on percentage depletion—§ 114(b)(4)(B) of the 1939 Code—has remained basically the same.[7] Additional minerals have been added from time to time—shale and fire clay in 1951—until practically all minerals are included.

As now enacted, the section provides that "mining" includes "not merely the extraction of the ores or minerals from the ground but also the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products," plus transportation from the place of extraction to the "plants or mills in which the ordinary treatment processes are applied thereto," not exceeding 50 miles.[8] It then defines "ordinary treatment processes" by setting out specifically in four categories those covering some 17 minerals. Fire clay and shale are not within these specific enumerations. The Government, however, contends that they should come within clause (iii) of the section, which provides that, "in the case of iron ore, bauxite, ball and sagger clay, rock asphalt and minerals which are customarily sold in the form of a crude mineral product—sorting, concentrating, and sintering to bring to shipping grade and form, and loading for shipment * * *" are included in "ordinary treatment processes." Clause (iv) lists specific metals such as lead, zinc, copper, etc., "and ores which are not customarily sold in the form of crude mineral product," and specifically excludes from the permissible processes certain ones used in connection with these metals. To recapitulate, the section contains four categories of dealing with "ordinary treatment processes": the first enumerating those permissible as to the mining of coal; the second, as to sulphur; the third, as to minerals customarily sold in the form of the crude mineral product; and the fourth, as to those minerals not customarily so sold. We note that the Congress even states the steps in each permissible process, and in addition specifically declares some processes not to be "ordinary treatment" ones, viz., "electrolytic deposition, roasting, thermal or electric smelting, or refining." Furthermore, none of the permissible processes destroy the physical or chemical identity of the minerals or permit them to be transformed into new products.

From this legislative history, we conclude that Congress intended to grant miners a depletion allowance based on the constructive income from the raw mineral product if marketable in that form, and not on the value of the finished articles.

III

The findings are that three-fifths of the fire clay produced in Indiana in 1951 was sold in its raw state. This indicates a substantial market for the raw mineral. In addition, large sales of raw fire clay and shale were made across the river in Kentucky. This indicates that fire clay and shale were "commercially marketable" in their raw state unless that phrase also implies marketability at a profit. We believe it does not. Proof of these sales is significant not because it reveals an ability to sell profitably—which the respondent could not do—but because the substantial tonnage being sold in a raw state provides conclusive proof that, when extracted from the mine, the fire clay and shale are in such a state that they are ready for industrial use or consumption—in short, they have passed the "mining" state on which the depletion principle operates. It would be strange, indeed, to ascribe to the Congress an intent to permit each miner to adopt processes peculiar to his individual operation. Depletion, as we have said, is an allowance for the exhaustion of capital assets. It is not a subsidy to manufacturers or the high-cost mine operator. The value of respondent's vitrified clay products, obtained by expensive manufacturing processes, bears little relation to the value of its minerals. The question in depletion is what allowance is necessary to permit tax-free recovery of the capital value of the minerals.

Respondent insists that its miner-manufacturer status makes some difference. We think not. It is true that the integrated miners in Indiana outnumbered the nonintegrated ones. But in each of the three basic percentage depletion Acts the Congress indicated that integrated operators should not receive preferred treatment. Furthermore, in Regulation 77, discussed above, the Treasury specifically provided that depletion was allowable only on the crude mineral product. And, as we have said, this regulation was substantially enacted into the 1943 Act. We need not tarry to deal with any differences which are said to have existed in administrative interpretation, for here we have authoritative congressional action itself. Even since the first percentage depletion statute, the cut-off point where "gross income from mining" stopped has been the same, i.e., where the ordinary miner shipped the product of his mine. Respondent's formula would not only give it a preference over the ordinary nonintegrated miner, but also would grant it a decided competitive advantage over its nonintegrated manufacturer competitor. Congress never intended that depletion create such a discriminatory situation. As we see it, the miner-manufacturer is but selling to himself the crude mineral that he mines, insofar as the depletion allowance is concerned.

IV

We now reach what "ordinary treatment processes" are available to respondent under the statute. As the principal industry witness put it at hearings before the Congress: "Obviously it was not the intent of Congress that those processes which would take your products and make them into different products having very different uses should be considered, as the basis for depletion."[9] But respondent says that the processes it uses are the ordinary ones applied in the indus-

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[6] See, e.g., Hearings before Senate Committee on Finance on H.R. 3687, 78th Cong., 1st Sess. 528; S. Rep. No. 627, 78th Cong., 1st Sess. 23–24; Hearings before House Committee on Ways and Means on Revenue Revisions, 80th Cong., 1st Sess., part 3, at 1857; Hearings before Senate Committee on Finance on H.R. 8920, 81st Cong., 2d Sess. 771; S. Rep. No. 2375, 81st Cong., 2d Sess. 52–53.

[7] The present statute, § 613 of the Internal Revenue Code of 1954, is essentially unchanged.

[8] Internal Revenue Code of 1939, § 114(b)(4)(B):

"Definition of Gross Income from Property.—As used in this paragraph the term 'gross income from the property' means the gross income from mining. The term 'mining' as used herein shall be considered to include not merely the extraction of the ores or minerals from the ground but also the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products, and so much of the transportion of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plant or mills in which the ordinary treatment processes are applied thereto as is not in excess of 50 miles unless the Secretary finds that the physical and other requirements are such that the ore or mineral must be transported a greater distance to such plants or mills. The term 'ordinary treatment processes,' as used herein, shall include the following: (i) In the case of coal—cleaning, breaking, sizing, and loading for shipment; (ii) in the case of sulphur—pumping to vats, cooling, breaking, and loading for shipment; (iii) in the case of iron ore, bauxite, ball and sagger clay, rock asphalt, and minerals which are customarily sold in the form of a crude mineral product—sorting, concentrating, and sintering to bring to shipping grade and form, and loading for shipment; and (iv) in the case of lead, zinc, copper, gold, silver, or fluorspar ores, potash, and ores which are not customarily sold in the form of crude mineral product—crushing, grinding, and beneficiation by concentration (gravity, flotation, amalgamation, electrostatic, or magnetic), cyandiation, leaching, crystallization, precipitation (but not including as an ordinary treatment process electrolytic deposition, roasting, thermal or electric smelting, or refining) or by substantially equivalent processes or combination of processes used in the separation or extraction of the product or products from the ore, including the furnacing of quicksilver ores. The principles of this subparagraph shall also be applicable in determining gross income attributable to mining for the purposes of sections 450 and 453." 26 U.S.C. (1952 ed.) § 114

[9] Robert M. Searls, Attorney, San Francisco. Silver Subcommittee Hearings, 1942, p. 764.

try. As to the miner-manufacturer, that is true. But they are not the "ordinary" normal ones applied by the nonintegrated miner. It was he whom the Congress made the object of the allowance. The fabrication processes used by respondent in manufacturing sewer pipe would not be employed by the run-of-the-mill miner—only an integrated miner-manufacturer would have occasion to use them.

Respondent further contends, however, that it must utilize these processes in order to obtain a "commercially marketable mineral product or products." It points out that its underground method of mining prevents it from selling its raw fire clay and shale. This position leads to the conclusion that respondent's mineral product has no value to it in the ground. If this be true, then there could be no depletion. One cannot deplete nothing. On the other hand, respondent alleges that its minerals "yield the best sewer pipe which is made in Indiana." If this be true, then respondent's problem is one purely of cost of recovery, an item which, as we have said, has nothing to do with value in the depletion formulae. Depletion, as we read the legislative history, was designed not to recompense for costs of recovery but for exhaustion of mineral assets alone. If it were extended as respondent asks, the miner-manufacturer would enjoy, in addition to a depletion allowance on his minerals, a similar allowance on his manufacturing costs, including depreciation on his manufacturing plant, machinery and facilities. Nor do we read the use by the Congress of the plural word "products" in the "commercially marketable" phrase as indicating that normal processing techniques might include the fabrication of different products from the same mineral. We believe that the Congress was only recognizing that in mining operations often more than one mineral product was recovered in its raw state.

In view of the finding that substantial quantities—in fact, the majority—of the tonnage production of fire clay and shale were sold in their raw state, we believe that respondent's mining activity during the year in question would come under clause (iii) of the section here involved. That clause includes "minerals which are customarily sold in the form of a crude mineral product." We believe that the Congress intended integrated mining-manufacturing operations to be treated as if the operator were selling the mineral mined to himself for fabrication. It would, of course, be permissible for such an operator to calculate his "gross income from mining" at the point where "ordinary" miners—not integrated—disposed of their product. All processes used by the nonintegrated miner before shipping the raw fire clay and shale would under such a formula be available to the integrated miner-manufacturer to the same extent but no more.

Nor do we believe that the District Court and Court of Appeals cases involving percentage depletion and cited by respondent are apposite here.[10] We do not, however, indicate any approval of their holdings. It is sufficient to say that on their facts they are all distinguishable.

In view of these considerations, neither of respondent's alternate claims for depletion allowance is appropriate. The judgment of the Court of Appeals is therefore reversed, and the cause remanded for further proceedings in conformity with this opinion.

It is so ordered.

SUPREME COURT OF THE UNITED STATES—No. 513, OCTOBER TERM, 1959

(*United States of America, Petitioner*, v. *Cannelton Sewer Pipe Company* (on writ of certiorari to the U.S. Court of Appeals for the Seventh Circuit), June 27, 1960.)

Mr. Justice Harlan, concurring in the result:

In joining the judgment in this case I shall refer only to one matter which, among the voluminous data presented by the parties, is for me by far the most telling in favor of the Government position.

Treasury Regulation 77, promulgated in 1933 under the Revenue Act of 1932 (47 Stat. 169), defined the basic term "gross income from the property" contained in § 114(b)(4) of the 1932 Act and carried forward in its successors. Art. 221(g). It concededly supports, by its express terms (see *ante*, p.—), the position of the Government in the present case. In my opinion the regulation was undoubtedly a valid exercise of the Commissioner's power to construe a generally worded statute. See Preliminary Report on Depletion, Staff Reports to the Joint Committee on Internal Revenue Taxation (1930), p. 68 (Shepherd Report); *Helvering* v. *Wilshire Oil Co.*, 308 U.S. 90, 102–103. The Revenue Act of 1943 (58 Stat. 21, 45), which added to the 1939 Code the provisions governing this case, represented only a limited departure from the 1933 Regulation, or from the administrative action taken under it, principally in the area of extractive processes applied to minerals not customarily sold in the form of a crude product, and did not basically affect the meaning of the term "gross income from the property." See, e.g., Revenue Act of 1943, Hearings Before the Senate Committee on Finance, 78th Cong., 1st Sess., on H.R. 3687, pp. 527–529; S. Rep. No. 627, 78th Cong., 1st Sess., pp. 23–24, Revenue Revision of 1942, Hearings Before the House Committee on Ways and Means, 77th Cong., 2d Sess., p. 1202; compare id., at 1199; Silver, Hearings Before the Senate Special Committee on the Investigation of Silver, 77th Cong., 2d Sess., pursuant to S. Res. No. 187 (74th Cong.), pp. 761–764. Respondent's efforts to impugn the force of that regulation, see Shepherd Report, supra, at 70, 71; Revenue Revisions, 1947–1948, Hearings Before the House Committee on Ways and Means, 80th Cong., 1st Sess., p. 3283; Mineral Treatment Processes for Percentage Depletion Purposes, Hearings Before the House Committee on Ways and Means, 86th Cong., 1st Sess., pp. 258, 264, seem to me quite unpersuasive.

This history, in my view, provides an authoritative and controlling gloss upon the term "commercially marketable mineral product or products" in the statutory definition of "mining," which in turn constitutes the "property" with which the statute deals. See *Helvering* v. *Wilshire Oil Co.*, *supra*. It results, on this record, in limiting respondent's basis for depletion to its constructive income from raw fire clay and shale.

Mr. GORE. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Virginia yield to the Senator from Tennessee?

Mr. BYRD of Virginia. I yield.

Mr. GORE. I am glad the Government has won the case. The fact that the Supreme Court has sustained the Government's position adds weight to the rectitude of the position the Senate took.

I would point out to the distinguished chairman of the committee, however, that the decision pertains to only one case, and does not correct many of the other cases which the Government has lost, which will be dealt with by the amendment the Senator from Virginia has brought back from the conference.

Mr. BYRD of Virginia. I am glad the Senator from Tennessee has made that point. As he knows, I voted for his amendment.

Mr. GORE. Yes; and I wish to thank the Senator from Virginia for obtaining the approval by the House conferees.

Mr. BYRD of Virginia. Mr. President, we have been successful in retaining the Gore amendment in the conference agreement, with certain modifications which I shall now attempt to explain.

The amendment the Senator from Tennessee offered was one prepared by the Treasury Department, on which the House Committee on Ways and Means held hearings in March 1959. Those hearings disclosed certain technical deficiencies in the earlier Treasury draft; and to correct these, the Treasury and committee staffs this last summer made certain technical corrections in the earlier draft. This revised draft, with a relatively few changes, is the one which is in the conference agreement. These changes were suggested by the Treasury and staff to the conferees.

Like the Gore amendment, the conference agreement strikes out of present law all reference to "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products." It is this phrase which has for the most part resulted in the court decisions providing for percentage depletion based upon finished products. Its omission means that the term "mining" will include the extraction of ores or minerals from the ground and also the specifically named processes, as well as the treatment processes necessary or incidental thereto. This, in effect, is substantially the same as the Gore amendment, except for the addition of the flexible phrase "and treatment processes necessary or incidental thereto."

The specifically named treatment processes in the case of coal are identical under the Gore amendment and under the conference agreement.

In the case of sulfur, the named treatment processes are identical under the Gore amendment and under the conference agreement, except for the addition of "cleaning" in the conference agreement. This is allowed under existing law, and might have been allowed under the Gore amendment; but it was thought best to make it specific.

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[10] Respondent's cases are based on *United States* v. *Cherokee Brick & Tile Co.*, 218 F. 2d 424 (adhered to in *United States* v. *Merry Bros. Brick & Tile Co.*, 242 F. 2d 708), which went off on factual concessions not present here. They have been pyramided into a statistically imposing number of cases, predicated upon one another. Close analysis indicates that they either go off on concessions or findings not present here, or deal with controversies over particular treatment processes claimed as "ordinary" in the industry involved. For our purposes, we need not reach the question of whether in those cases the minerals in place had any "value" to be depleted. Other than the decision here under review, only two of the Court of Appeals cases cited by respondent, both from the same Circuit (*Commissioner* v. *Iowa Limestone Co.*, 269 F. 2d 398; *Bookwalter* v. *Centropolis Crusher Co.*, 272 F. 2d 391), adopted the profitability test, which we find unacceptable.

The Gore amendment would have combined the categories which appear as subparagraphs (C) and (D) of paragraph (4) of section 613(c) of existing law. The conference amendment keeps the separate categories of existing law in this respect, because it was found that combining the two categories, as the Gore amendment would have provided, made treatment processes allowable for certain minerals which are not allowable under existing law. Your conferees did not believe that the Senator from Tennessee in offering his amendment intended to expand allowable treatment processes.

In subparagraph (C), which deals with iron ore, bauxite, ball and sagger clay, rock asphalt, and ores or minerals customarily sold in the form of a crude mineral product, the treatment processes are the same as under existing law and under the Gore amendment, except for the addition of the phrase "and substantially equivalent processes," which is designed to provide some flexibility in the provision.

In the case of subparagraph (D), which deals with certain named minerals, as well as those not customarily sold in the form of the crude mineral products, the named processes are substantially the same as under the Gore amendment and under present law.

The conference agreement also provides for a specific cutoff point for calcium carbonates and other minerals when used in making cement. The cutoff point is prior to the introduction of the kiln feed into the kiln, except for any preheating of the kiln feed. However, no subsequent process in this case is to be allowed. The Gore amendment did not provide a specific cutoff point for minerals used in making cement.

The conference agreement also provides a new subparagraph (G) which supplies a specific cutoff point for clays used or sold for use in the manufacture of building or paving brick, drainage or roofing tile, sewer pipe, flower pots, and kindred products. The specific processes allowed in this case are crushing, grinding, and separating the mineral from waste, but not including any subsequent process. The Gore amendment in this case also did not provide a specific cutoff point.

The conference agreement also adds a new subparagraph (H) to provide administrative flexibility in the application of this provision, but providing that the Secretary or his delegate may by regulations provide for the allowance of any other treatment process which is not specifically denied in the other subparagraphs of paragraph (4). Your committee hopes that the Secretary will use this subparagraph to equalize treatment insofar as possible under the different processing techniques and with respect to competitive minerals. This subparagraph also is new under the conference agreement.

Like the Gore amendment, the conference agreement adds a new paragraph providing that certain treatment processes are not to be considered as mining unless they are otherwise provided for in the listed categories which I have already described or are necessary or incidental to these processes. The disallowed processes under the conference agreement and under the Gore amendment are the same. They are electrolytic deposition, roasting, calcining, thermal or electric smelting, refining, polishing, fine pulverization, blending with other materials, treatment effecting a chemical change, thermal action, and molding or shaping.

The Gore amendment would also have provided that notwithstanding any other provisions in this subsection, any treatment process which follows a process not considered as mining will not be considered as mining for the purpose of this subsection. This is omitted in the conference agreement, except in the case of cement and the clays, to which I have previously referred. It was thought best to omit this, because the otherwise allowable processes are not always applied by various manufacturers in this same order; and to omit a process in the case of one mineowner merely because it occurs after a disallowed process, would appear to discriminate against him.

I believe that the conference agreement retains the basic intent of the Gore amendment, in that it will not permit percentage depletion allowances to be based upon final products, but, rather, upon the minerals or other materials taken from the ground, plus a limited number of treatment processes ordinarily directly associated with mining, through long mining practice. The revenue saving under the bill is at least as great as under the Gore amendment, and perhaps more. Thus, there will be no immediate loss of $50 million a year or possible eventual loss of as much as $600 million a year. The bill will, however, generally continue the treatment provided under the law prior to the court cases in recent years which have expanded the depletion base.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. JOHNSON of Texas. I am informed that it is impossible to get a vote on the conference report tonight. Because of the absence of certain Senators, we cannot vote on it tonight, but we can tomorrow.

A call of the calendar is planned for tomorrow. I therefore announce that the Senate will stay in session as long tonight as necessary for Senators to make any statements or inquiries they care to make regarding the conference report.

I should like to proceed to take up the military construction bill, about which there is no controversy, and which we expect to be able to pass and send to conference. There are many items which must be considered in conference.

ORDER FOR ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW—LIMITATION OF DEBATE ON TAX BILL CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn until 10 o'clock tomorrow morning; that at that time it proceed to the call of the calendar; that not to exceed 1 hour be allotted to Senators favoring the conference report, to be controlled by the chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], and that 1 hour be controlled by the minority leader, to be allocated to Senators opposed to the conference report; and that the Senate proceed to a final vote on the conference report or on motions to recommit at 2 o'clock p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on tomorrow, June 28, 1960, after the calendar call has been concluded, the Senate resume the consideration of the conference report on H.R. 12381—the Public Debt and Tax Rate Extension Act of 1960; that debate on the said report be limited to 2 hours, to be equally divided between the proponents and the opponents and controlled, respectively, by the chairman of the Finance Committee and the minority leader; and that at the hour of 2 o'clock p.m. the Senate proceed to vote on the question of agreeing to the said report.

MILITARY CONSTRUCTION APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 12231) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, has the Senator from Virginia concluded his statement?

Mr. BYRD of Virginia. Yes.

Mr. JOHNSON of Texas. Mr. President, I understand the pending business is the military construction appropriation bill. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, the Senator from Mississippi [Mr. STENNIS] is prepared to proceed with the military construction appropriation bill at this time, since it is the pending business.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with. I shall renew it as soon as the yeas and nays are ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on passage of the military construction bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Without objection, it is so ordered.

Mr. STENNIS. Mr. President, this is the appropriation bill in regard to the military construction both at home and abroad. The total amount of the appropriation recommended in the bill is $1,067,227,000. This amount is $191,082,000 more than the $876,145,000 provided in the House bill, and $120,773,000 less than the budget estimates for fiscal year 1961.

A great part of the difference in amount as between the House bill and the Senate version arises from the fact that there were new and additional budget estimates of considerable amount which came in after the House had considered and passed the bill. For example, one new and additional item is for $60 million. This item has to do with an additional missile base.

Mr. President, the report is very complete. It contains all the necessary information. I do not expect to discuss the bill at length, but I shall be glad to answer questions, as, I am sure, will the Senator from Massachusetts [Mr. SALTONSTALL] and other Senators who are members of the subcommittee and of the full committee.

The bill has been very carefully considered. It was prepared by the Department of Defense. Extensive hearings were held by the House of Representatives. Extensive hearings were held, involving every item in the bill, by the Senate committee.

This money to be provided has been reduced to the point where we think the bill represents bone and muscle, and includes the items we consider to be essential and in line for this year in connection with our military program.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I join in what the Senator from Mississippi has said. The Senator has gone over this bill with a great deal of care, as chairman of the subcommittee of the Armed Services Committee and also as chairman of the subcommittee of the Appropriations Committee.

I have personally gone over the bill with the Senator in the Appropriations Committee. I join with the Senator in saying that I believe it represents, to the best of our knowledge, the needs of the armed services for the coming fiscal year.

Mr. President, I wish to commend the Senator for the amount of conscientious hard work he has done as chairman of these two subcommittees in regard to this bill, which is of great importance to our security, and which also involves very substantial amounts of money.

Mr. STENNIS. I thank the Senator from Massachusetts very much.

The Senator from Massachusetts performed very valuable assistance, by his consistent attention to the many line items in the bill. As always, the Senator from Massachusetts has been extremely helpful. He has a fine background of knowledge with reference to all the questions involved.

Mr. President, if Senators have had inquiries made as to the disposition of certain items in their areas or in their States, I invite their attention to the fact that the list, by States, is to be found beginning on page 25 of the report, a copy of which is on the desk of each Senator.

I wish to point out two or three facts which should be mentioned especially, for the information of Senators.

The committee has stricken from the bill all sums for the building of family housing overseas. To a large degree that action was prompted by the fact that the committee thought there should be a reappraisal of the entire question, worldwide in its application, with regard to how far we should go in building dwellings or housing units for dependents of military personnel and civilian personnel employed by the military services overseas.

There are now approximately 484,000 dependents of military personnel and civilians employed by the military services who are beyond the borders of the 50 States of the United States. That raises a very serious question as to what should be done, and what the burden will be, with reference to dependents, should war break out.

The figure in regard to personnel has been mounting. This is an overall basic policy question as to which the committee was unanimous. We felt that the subject should be reevaluated, and even more so in view of recent happenings, because world events are changing fast, and serious questions are being raised as to how long we may occupy some of these many military installations overseas. The 484,000 dependents are scattered through 99 foreign countries. When we add to the 484,000 the number who are in Alaska and Hawaii the total is approximately 684,000. We have taken the housing provisions out of the bill, so that we may have a reappraisal of the grave question involved.

We have added an amount of money for the Air National Guard, in keeping with the revised air defense plan submitted since the bill was considered by the House of Representatives.

We have added an amount for the National Guard armories. All of these sums are placed in the bill under a formula, not with special favor for any particular State.

We now have money in the State treasuries, already earmarked and provided by some local taxing authority—State, county, or municipal—in the amount of over $40 million, waiting to be matched by Federal funds, to build National Guard armories. This program has been moving rather slowly for the past few years. The committee believes it is one of the more certain ways by which we may be able in the future to hold down the costs of our military program. This helps us to keep trained the talent for which we already have paid the expense of training, keeping our men in a state of readiness for possible utilization.

These sums have been provided under the formula. First, the armory project must be approved by the department in the individual State of the Union involved, and then the project must come to the National Guard Bureau and be approved under the formula relating to priorities. That is the way the items were added to the bill. If some Senator finds that there is no provision for one of these armories in his State, it may be that the formula did not reach the State, perhaps due to the fact that there are already many armories in the State, so that the State does not qualify for a new one.

Only three items were provided in addition to the ones I have mentioned, beyond the budget requests. There were two barracks at Fort Huachuca, which were deleted last year in conference because the unit cost was considered to be too high. The cost has been adjusted.

There was another item of $1.3 million for a bridge on a military installation in Kansas, which was considered to be an emergency in character, so it was included as a special item in the bill.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Kansas. The Senator from Kansas is the author of the amendment that caused the bridge at Fort Riley to be authorized this year.

Mr. CARLSON. Mr. President, I appreciate very much, as I know the senior Senator from Kansas [Mr. SCHOEPPEL] does also, the inclusion of an amount to provide for the replacement of a bridge at Fort Riley, Kans., which is an old one-way engineer bridge. Since the construction of that bridge an airfield has been established there. The need for the construction of that bridge has been established, and it is most necessary that we get the new bridge constructed in order to take care of the traffic. I was glad to note in the report that—

> The committee added $1,332,000 for a bridge over the Kansas River at Fort Riley, Kans. This project has been studied by the Defense Department, the Corps of Army Engineers, and the State highway department and all have expressed the urgent need for construction of this bridge. It will replace an old one-way span which has been inadequate for many years, and which is especially inadequate because of the establishment of an airfield across the Kansas River from the main post base.

Mr. STENNIS. I am glad the Senator from Kansas has presented the matter. We consider the bridge a hazard under present conditions.

Mr. President, what I have stated covers the insertions of items in the bill We removed all funds which would provide for telephone exchanges. Until a further review is made by the Department of Defense as to just what the policy will be in respect to such exchanges, we feel they should not be included. In some places, we have been constructing buildings to house telephone exchanges, but until there is a definite policy, we have decided to let them remain as they are.

We also struck out items which would provide for new commissaries, asking the military installations concerned to continue to use the space they now have. We were impressed with the very generous request made for $1.2 million to house a grocery store, so to speak, at one military installation. I do not know of any A. & P. store or Giant store building anywhere that has cost as much as $1,200,000. But that item shows how far the requests went. We removed all of those from the bill.

Mr. President, although questions may be asked later, if there are further questions now, I shall attempt to answer them.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HOLLAND. I should like to address a question to the distinguished Senator from Mississippi. I understand that one of the items omitted from the budget request and from the House bill was an item of $500,000 for the acquisition of land for two bombing ranges to serve the Naval Air Station at Jacksonville and its outlying fields, Cecil Field, Sanford Naval Air Station, and perhaps others. Am I correct in that understanding?

Mr. STENNIS. The Senator is correct. Substantially, at one time the item to which he refers was proposed to serve that purpose.

Mr. HOLLAND. Mr. President, I am sorry that I cannot give to the Senator from Mississippi of my own knowledge the complete details of this matter, but I have just been talking with Captain Shields at the Navy Department. He told me that those items are very badly needed for this reason: He said that the bombing ranges that they are presently using are two in number, one of which is saturated, and can handle no more planes or activities, and the other of which he describes as the Switzerland field, which must be abandoned because it is in the way of commercial airlines. The Navy urgently needs these additional bombing range facilities at an early date; if it fails to receive the necessary appropriation it will be badly handicapped.

I shall not ask the Senator from Mississippi to accept an amendment on the basis of any information that I can furnish at this time, but I did wish to say to him that that is the statement made to me within the past few minutes by the Navy. I hope, therefore, since the item will be in conference, that the Senator will allow the representatives of the Navy to give a clear picture of just why it is felt that this need is so immediate, and why, if the request is not granted, it will work a hardship upon training activities in that area.

Mr. STENNIS. I assure the Senator from Florida that his request will certainly be considered. Naval air training is highly essential, and target practice is one of the primary activities that are essential. Of course, the committee wishes the Navy to have whatever is needed as a bombing range. Of course, we will consider this question again in conference, when the bill is in conference.

The item to which the Senator from Florida refers was authorized in 1956, and the Navy has done nothing since that time to acquire this land. Frankly, we were told by the Department of Defense that it was doubtful whether it would ever approve—under present conditions, at least—the acquisition of this additional land. That statement is really what brought the project before us for consideration. After all, the acquisition of the land might not be essential, especially when the Navy was requesting such items as $14 million to rebuild the old Anacostia naval station. We removed the item with the idea I have stated. Of course, we will reconsider it.

Mr. HOLLAND. So far as the Senator from Florida is concerned, he is not urging that the item be included. He certainly does not want it included if the facility is not needed, because he has a file of letters from citizens that he received some 4 years ago when the item was authorized, complaining very vigorously and bitterly about having to sustain such an activity in their neighborhood. But the Senator from Florida wants the assurance, which he has now been given, that the actual need of the Navy will be restudied prior to conference, so that if there is an actual need, it will be granted at that time.

Mr. STENNIS. Absolutely. This is a highly important field of activity, as the Senator from Florida knows.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. BENNETT. Mr. President, it is my understanding that the Senate Appropriations Committee removed from the bill, funds it was asked to recommend in the amount of $2,900,000 which would have been spent to provide facilities at the Hill Air Force Base for the maintenance and repair of the Minuteman missile. Of course, these missiles have not yet become operational, but it is the understanding of the Senator from Utah that when they do, it will probably be necessary to supply equipment and facilities to maintain, repair, and probably to upgrade some of the earlier models. We had hoped that arrangements could be made now to provide those facilities so that they would be ready when the Minuteman missile becomes available.

I understand that the committee recommend to the Air Force that it restudy the problem to determine whether these facilities should be supplied by the Government or by the contractor who built the missiles.

Can the Senator from Mississippi tell the Senator from Utah whether the committee was given any information as to the amount of time such a study would require?

Mr. STENNIS. In the first place, I think the inquiry of the Senator from Utah is very pertinent, and I certainly appreciate his interest in this project. We were advised by the Department of Defense that it had not yet made a firm decision as to whether it would have the Minuteman missile kept in condition by the Air Force or by the manufacturers. There is always an interest in the service involved having its own maintenance facilities and maintenance crews. But there is a grave question as to whether it cannot be done as well and much cheaper by the manufacturer. Three or four months was considered a reasonable time to make this additional study and to reach a firm decision.

Mr. BENNETT. So the Senator expects that when we return in January the Air Force will have made its decision and probably we can then proceed?

Mr. STENNIS. I hope so. I said the Department of Defense rather than the Air Force itself.

Mr. BENNETT. I see.

Mr. STENNIS. This service must be supplied. It is merely a question of whether the manufacturer supplies the service or whether we build these additional facilities.

The Senator from Utah may not have had this point brought to his attention. The factories that we are discussing now are factories that the Federal Government built. The buildings and other facilities are really a part of the bid on the missile. So if we can get the work done at those facilities, I think as a matter of policy, not only in respect to this missile, but many others, we will save much money by doing so.

Mr. BENNETT. The Senator from Utah would not quarrel with that, but he is interested, as is the Senator from Mississippi, in making sure that when there is a need for the maintenance or upgrading of these missiles, the facilities will be available.

Mr. STENNIS. I am sure that our mission is the same in this respect, and that there is plenty of time.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. We felt that we would avoid duplication of facilities at this time by a little further study, and that if we went ahead at this time we might have a very substantial duplication of facilities which we could not study.

Mr. STENNIS. That is correct.

Mr. BENNETT. I thank the Senator.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. KUCHEL. First of all I wish to salute my able colleague from Mississippi for once again, as chairman of this important subcommittee, holding long and arduous hearings, and helping to fashion a military construction appropriation bill which is in the national interest.

Mr. STENNIS. I thank the Senator. The Senator from California was quite helpful to us in the full committee.

Mr. KUCHEL. I recall our colloquy in committee on a problem which, as the Senator knows, is of continuing interest to California, and if I may say so in a very real sense, I believe, in the continuing interest of our national defense.

The Long Beach Naval Shipyard represents a Federal investment of approximately $170 million. As the Senator knows, it has suffered in the last few years a unique and disastrous subsidence. The naval installation was badly damaged, as were other contiguous areas in the vicinity of the shipyard. As the Senator knows, the State of California en-

acted legislation to authorize assistance in eliminating the subsidence by scientific means. The city of Long Beach has generously participated in solving the problem, as have other public and private interests in the area.

The Secretary of the Navy, regrettably too late for this year's budget, indicated that in his judgment local attempts had been made and made successfully so as to authorize Federal assistance which Congress previously had indicated would be available. Would my good friend the Senator from Mississippi comment on this subject, as he did the other day?

Mr. STENNIS. The Senator from California is correct in his facts. He is correct in saying that the local authorities have carried out their part of the agreement or understanding, and that the Government must supply funds to reinforce this important and essential naval installation at Long Beach. I wish these items had been included in the original budget as submitted. It certainly would have had the support of the Senator from Mississippi. The Senator from California, in his usual way, is looking after these projects, and I have assured him that in full committee it will have my support at a future time. I felt these items were brought in after the committee on authorizations and Congress had deleted certain items in the original budget of the Navy, and it was our judgment that it was not well to bring these items in now, at this late date, but that we should take another look at it in January or at such time as the Navy will resubmit them. We are not rejecting them.

Mr. KUCHEL. I thank the Senator very much.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, first I should like to commend the committee for the restrictions it set up in section 109 with regard to the availability of appropriations for construction of family quarters. I should like to ask the distinguished Senator from Mississippi if the limitations will apply to housing constructed in the so-called Capehart program, or whether this language is limited to military housing built directly by the Government with appropriate funds.

Mr. STENNIS. The Senator from South Dakota is familiar with the law with reference to housing, and has made a very fine contribution in connection therewith. Section 109 of the pending bill applies merely to appropriated funds. It is a limitation as to appropriated funds. The authorization bill carries limitations as to Capehart housing, as the Senator knows.

Mr. CASE of South Dakota. It is to be hoped that those responsible for programing Capehart housing will not try to work in the type of housing which they could not acquire with appropriated funds.

I should like to ask a question with respect to section 111, which reads as follows:

SEC. 111. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Bureau of Yards and Docks, except: (a) where there is a determination of value by a Federal court, (b) purchases negotiated by the Attorney General or his designee, and (c) where the estimated value is less than $25,000.

It is my interpretation that that is a limitation only on the funds provided in the bill; otherwise it would be legislation.

Mr. STENNIS. Yes; that is carried from year to year.

Mr. CASE of South Dakota. Yes. It applies to funds for the purchase of real estate for military construction, and would not apply to lands purchased for reservoir projects under the civil works program.

Mr. STENNIS. The Senator is correct. It is a limitation carried in the pending bill every year. It applies only for this year and to the funds the Senator has mentioned.

Mr. CASE of South Dakota. The second question is whether it applies to the Attorney General or his designee in negotiating purchases for the Defense Department.

Mr. STENNIS. The Senator from Mississippi understands that it covers a case in which a matter has gone to court and the Attorney General, representing the United States, negotiates a settlement of the case.

Mr. CASE of South Dakota. When he is able to achieve a settlement without going to trial.

Mr. STENNIS. Yes. I believe it covers that situation.

Mr. CASE of South Dakota. I appreciate that statement, because it is important in the legislative history on the bill to have that made clear. I am moved to do this partly because in the omnibus rivers and harbors and flood control bill passed by the Senate, which will be in conference tomorrow, we included a special section dealing with real estate acquisitions. There is quite a different problem when whole farms are taken for reservoirs from a situation in which a portion of a man's land is taken for military purposes.

Mr. STENNIS. I thank the Senator for his contribution and help on this and related bills.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. LAUSCHE. I direct the Senator's attention to page 3 of the report, dealing with family housing. The following statement is contained in the report:

Approximately 485,000 dependents are overseas and plans are in the making to increase this number considerably.

Will the Senator please explain the latter part of that statement, that plans are in the making to increase the number considerably?

Mr. STENNIS. That statement covers the building of additional houses, the ones that are in the bill, and the prospective program for the next year. This continues every year, and we felt compelled to call a halt and to call for a reappraisal of the entire situation, particularly with reference to how much further it is to go. Congress must stop and take an overall look and decide how much further, if any, we will go.

Mr. LAUSCHE. That is, the plans that are in the making to increase the number would be through the building of additional housing, thus inducing more and more dependents to go to foreign lands.

Mr. STENNIS. The Senator is correct. We were not giving any battle plans in the report, but were merely referring to the tendency. As the number of houses is increased, the number of dependents also increases. Some of the housing is for remote areas and for so-called hardship cases, where it is really not easy to get a place in which to live. However, the question of greatly increasing the number of dependents overseas will have to be reevaluated. I think the study will be quite revealing when all the facts are developed. We are no longer willing to make piecemeal additions.

We found, upon examining into the question, that already $862,716,000 has been expended, and additional houses are already authorized to raise the total to almost $1 billion for housing units overseas alone.

Mr. President, if there are no other questions, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text for the purpose of further amendment; and that any point of order against a committee amendment may be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, after line 7, to insert:

"MILITARY CONSTRUCTION

"For construction as authorized by title IV of the Act of June 8, 1960 (Public Law 86-500), to remain available until expended, not to exceed $20,000,000, to be derived by transfer from funds available to the Office of the Secretary of Defense for advanced research projects."

On page 2, line 10, after the word "expended", to strike out "$147,042,000" and insert "$169,816,000".

On page 2, line 19, after the word "expended", to strike out "$156,459,000" and insert "$166,583,000".

On page 3, line 5, after the word "expended", to strike out "$518,644,000" and insert "$656,400,000", and in the same line, after the amendment just above stated, to insert a colon and "*Provided*, That the words 'solar furnace' under this head in the Military Construction Appropriation Act, 1959, are amended to read 'solar facilities.'"

On page 3, line 16, after the word "expended", to strike out "$12,000,000" and insert "$16,038,000".

On page 4, line 24, after the word "expended", to strike out "$8,000,000" and insert "$17,540,000".

On page 5, line 13, after the word "expended", to strike out "$7,000,000" and insert "$13,850,000".

On page 9, after line 18, to insert a new section, as follows:

"SEC. 113. The unexpended balance of amounts heretofore made available under the heading "Military construction, foreign countries" shall be merged with appropriations available during fiscal year 1961 for military assistance authorized by Chapter I of the Mutual Security Act, 1954, as amended."

On page 10, line 1, to change the section number from "113" to "114".

Mr. STENNIS. Mr. President, that completes the committee amendments. If no other amendments are to be offered, I suggest that the bill be read the third time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed in the RECORD, prior to the vote on the military construction appropriation bill, certain additional remarks which I have prepared by way of a summary of the bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MILITARY CONSTRUCTION BILL, FISCAL YEAR 1961

The total appropriation recommended by the Senate Appropriations Committee amounts to $1,067,227,000. This is an amount $191,082,000 over the $876,145,000 provided by the House and $120,773,000 under the budget estimate of $1,188,000,000.

For the Department of Defense, the committee recommends an appropriation of $19 million for loran stations. This is a decrease of $1 million from the budget estimate and the amount provided by the House.

For the Advanced Research Projects Agency, the committee has approved $20 million by transfer from funds available to the Office of the Secretary of Defense for advanced research projects.

For military construction for the Department of the Army the committee has approved an amount totaling $169,816,000. This is an increase of $22,774,000 over the $147,042,000 approved by the House, and a decrease of $41,184,000 from the budget estimate of $211 million, which included special foreign currency programs.

For military construction for the Department of the Navy the committee has approved an amount totaling $166,583,000. This is an increase of $10,124,000 over the $156,459,000 allowed by the House, and a decrease of $26,417,000 from the budget estimate of $193 million, which included special foreign currency programs.

For military construction for the Department of the Air Force the committee has approved an amount totaling $656,400,000. This is an increase of $137,756,000 over the $518,655,000 allowed by the House, and a decrease of $72,600,000 from the budget estimate of $729 million, which included special foreign currency programs.

For the Army Reserve, the committee has recommended an appropriation of $16,038,000, an increase of $4,038,000 over the budget estimate of $12 million, the amount allowed by the House.

For the Naval Reserve, the committee recommends an appropriation of $4 million, the budget estimate.

For the Air Force Reserve, the committee recommends an appropriation of $4 million, the budget estimate and the amount allowed by the House.

For the Army National Guard, the committee recommends an appropriation of $17,540,000, an amount $9,540,000 over the $8 million contained in the budget and House recommendations.

For the Air National Guard, the committee recommends an appropriation of $13,850,000, an amount $6,850,000 over the budget estimate of $7 million, the amount recommended by the House.

Later on in this statement I shall discuss in detail some of the major points of the increases and decreases made by the committee. However, first I would like to detail to the Senate the method by which we arrived at our decisions in this appropriation bill.

Mr. President, it is never an easy job to decide which projects to keep in the bill and which projects to delete. The committee very meticulously conducted hearings on every line item contained in this bill. Nine hundred and fifty-six pages of testimony were taken in open hearings and 150 pages were taken in executive session. In addition numerous documents and memorandums were filed with the committee by the Department of Defense, the Army, the Navy, and the Air Force. During the hearings each project was reviewed line by line with departmental witnesses and a discussion was held on each line item, and the professional staff gathered additional information from the service departments.

The committee did not wholly agree with the House in the projects that were to be left in or to be taken out. In fact, the Senate deleted a number of projects that the House approved and put back into the bill a number of projects deleted by the House. This is not to infer that the House was not justified in the decisions they made on this bill. However, as I stated before, the subcommittee made its decisions on the basis of information made available by the services, the justification of the projects in open hearing and executive session, and information gathered by the professional staff.

Before I go into the respective services, I would like to mention a number of large problems that faced the committee in making its decision on large items. The House deleted a number of laboratories from the bill. The committee, both in open hearing and in executive session, went into the question of these laboratories in great detail. We feel that the services made a very good case for the retention of the laboratories and the committee restored them to the program.

First of all, if America is to continue in our progress in this space and atomic age, we must have laboratories within which to do the basic and the applied research. The committee went to agencies outside the Department of Defense and inquired if these laboratories were in any way a duplication of scientific facilities already in existence. In regards to the laboratories that apply to space and aeronautics, the National Aeronautics and Space Agency was contacted, to ascertain if the service laboratories were in any way a duplication of work that is presently being undertaken by NASA. We were given written assurance by the Space Agency that the laboratories were an urgent need and, in two instances the National Space Agency advised that they were going to use the laboratories in a joint effort with the named service.

We also found that the laboratories had been approved by a committee within the Department of Defense whose function it is to see that there is no scientific duplication in laboratory facilities within the Department of Defense.

So, in view of the urgent need that was explained for these laboratories, the committee has placed them back in the bill.

Another problem—and I must say a very complicated problem—concerns the one of family housing overseas. The committee agreed with the House in all instances that the oversea family housing projects should be stopped for the present and that an overall study should be made of our needs and requirements.

The committee, of course, is well aware that if we are going to keep the large numbers of families overseas they must have housing and community support facilities. The question is: Just how much larger should we expand these housing and community support facilities?

We have on file with the committee figures showing the number of dependents overseas. In 99 counties and territories, exclusive of the States of Alaska and Hawaii, the Department of Defense has a staggering total of 484,098 dependents. This is broken down as follows: Army, 248,788; Navy/Marine Corps, 37,837; Air Force, 197,488; Office of the Secretary of Defense, 35.

These figures were furnished by the Department of Defense as of March 31, 1960. This is an increase over the last reporting date of September 30, 1959. The family housing and dependents overseas is becoming an increasingly expensive undertaking for our Department of Defense. I do want to say this: that in view of the figures which we have on the dependent situation overseas, it was the firm opinion of the committee that most certainly we must stop at this time and study this vital situation to see just how much more housing is needed, what the long-range plans are, and whether there are any plans to cut down on our oversea installation. Certainly we know of some. In other words, we cannot continue building houses and community support facilities overseas in a haphazard manner. Thus in our report we have requested the Department of Defense to make an overall study of this situation and to report to the Congress in order that we may build in an orderly manner for our dependents overseas.

The committee has questioned the service departments need to build additional commissaries. This is a furthering of action which was taken by the Senate Armed Services Committee on the question of commissaries. The House took exception to approving commissaries and our committee agreed with this action.

It is very difficult to reconcile the information which was presented to us with the request by the Department of Defense for a $1,200,000 commissary. The committee's investigation showed that the largest grocery store in a well-known grocery chain did not cost $1,200,000. In other words, it was the feeling of the committee that this was not a realistic approach to the problem of the commissary. It is very difficult to understand—and most certainly it is against Department of Defense policy—that when community support facilities such as stores, and particularly grocery stores, are right at the front door of a base, why the taxpayers should put up a commissary building costing from $300,000 to $1,200,000.

There were 34 maintenance docks that the committee approved. These docks are a basic requirement for the dispersal of SAC. The need for reducing the vulnerability of the strategic forces through dispersal continues to be a matter of great importance to the national defense. The maintenance docks requested in the Air Force construction program are in direct support of the dispersal program which has been approved by the Congress. The committee obtained convincing testimony from the Air Force which shows that the SAC mission will be impaired if these maintenance docks are not provided. It is apparent, Mr. President, we will lose the advantages of dispersal if we do not provide the docks.

The committee took action and deleted from the bill a number of telephone exchanges. It was found, through investigation, that these facilities are replacements for existing facilities which still have a usable life. In addition, the committee believes that the use of commercial facilities, where military necessity cannot be substantiated, should be studied by the Department of Defense and a firm recommendation made.

I would next like to address myself to the Army National Guard construction program. In the present fiscal year $8 million is the budget figure for the construction of National Guard armories. The committee believes that this figure is too low. Not only is it too low, but if we are to modernize our National Guard armory system, we, of necessity, must have an accelerated program. Last year the committee increased the budget for armory construction by $12,100,000. This year the committee has increased the National Guard construction program by $9,540,000. This increase will allow for the construction of 59 projects located in 30 States or a total of 107 projects in 43 States. Also within this sum is provided minor construction projects numbering 18 in 8 States. It also provides for a number of nonarmory projects and advanced planning and design of these projects.

All of the projects that the Senate has added are on the priority list as submitted by the National Guard Bureau and with the exception of 18 projects the planning is almost complete. Furthermore, the State funds are available and awaiting the appropriation of Federal funds to get these projects under way.

Our Air National Guard is expanding its operational base to assume part of the air defense mission. This action necessitates additional construction money to make the Air National Guard's fields capable of handling Century series aircraft. The committee has approved an appropriation of $13,850,000 for the air guard. This is $6,850,000 over the budget estimate. It is the opinion of the committee that this additional money will be well spent and that in air defense we do not get any better return on our defense dollar than that money expended with our Air National Guard.

From this point on I will now proceed to the individual services and explain in an overall manner just what the bill accomplishes.

DEPARTMENT OF THE ARMY

The military construction appropriation bill, 1961, is the means by which the Army can build an increment of what is needed to provide the Army with effective and modern bases and in effect to help with the modernization of our Army.

This appropriation bill for the Army has funds for construction of badly needed gasoline and ammunition storage facilities in Germany to improve the combat effectiveness of the U.S. Seventh Army. I would like to comment that this Army is the largest and best trained peacetime Army in the history of the United States and sharing with other NATO troops the first line of defense against a ground attack in Europe. This bill also provides for construction of a prestocked forward depot which will permit the Army more rapid and effective action in the event of hostilities in potential trouble spots.

In Okinawa, funds have been approved for construction of facilities for storage and security of ammunition necessary to carry out the missions and responsibilities of the United States in the Far East.

In Korea, funds have been approved to continue a program for the improvement of operational facilities and living conditions of American combat and support troops. Appreciable construction is required for logistics support in forward and rear areas of Korea to provide covered storage, troop housing, and adequate utility systems, and to disperse reserves.

I need hardly remind you of the importance these days of our ability to react promptly to ever-changing worldwide situations. Provisions have been made to strengthen the Army's portion of the worldwide defense communications net. Included in this is construction to add superpower and antijamming equipment to assure dependable, interruption-proof communications.

A small, though important portion of the Army's requirement for construction funds is that portion requested to support research and development activities for Nike-Zeus, the Army's antimissile missile.

This bill provides funds for modernization and improvements to the Army's training facilities throughout the United States and for the very important installation base which must be provided for the spearhead of the Army, the Strategic Army Corps. This corps must be in a high degree readiness and mobility.

One of the expanding missions of the Army in the role of Army aviation is requiring a good deal of new construction money. The new and lethal missiles with which our Army is equipped requires much earlier and more precise methods of target identification and report than did the conventional artillery of World War II. This bill provides funds for construction of operational and maintenance facilities for aircraft with our field forces and for training of Army aviation personnel.

The Army's capability to provide a quick and effective response to threats against the Nation's safety is dependent to a great degree on a well-planned and efficient logistics system.

In support of these responsibilities the technical services are constantly striving to develop new and more effective weapons, equipment and supplies. Funds are included in this bill for construction to help carry out these missions.

In order to provide for planning and design; for minor construction to meet urgent and unforeseen construction requirements; for utilities for Capehart housing to fund offsite utility connections and access streets; and for provision of the Federal Government's share of the cost to construct adequate public thoroughfares to Army installations and activities, the bill provides general funding.

Finally, the bill provides funds for facilities for the training and administration of the Reserve components of the Army. These facilities are required to replace inadequate leased and donated facilities, and for new armories and conversion or modification of State-owned armories, when required by the Department of the Army's request for State acceptance of major changes in organization and mission of the assigned Army National Guard units so as to aline these units with the modern organization of the Active Army.

DEPARTMENT OF THE NAVY

The program submitted by the Navy is one of the smallest received from that service in recent years. The Navy testified that the program this year is very tight. It reflects the policy of the Department to allocate available resources in such a way as to enable maximum use of funds to the extent practicable for the procurement of military hardware.

The funds approved provide essential support facilities for the construction, overhaul and operation of nuclear powered and fleet ballistic missile submarines; for submarine and antisubmarine warfare forces in the area of research, training and readiness operations considered mandatory to our national defense; for berthing space of aircraft carriers; for more effective use of research and development facilities as related to new weapons system; and for the construction of facilities to support the Polaris and Pacific missile range programs. Funds have also been approved for the construction of urgently required supporting facilities to properly house the Marine Corps and to support the training program of the Marines for its air and ground forces; for the orderly completion of the development of two new air stations; for the modernization of a small segment of troop housing; for the rehabilitation of a portion of the midshipmen's living quarters at the Naval Academy; for the construction of a 20,000-kilowatt generating plant on Guam and for the replacement of certain deteriorated utility systems at a small number of hard-core stations which directly support the fleet. A significant portion of the approved program is directed to the improvement of existing communications facilities and to the provision of additional indispensable links in our worldwide communications system which will enhance the Navy's ability to exercise command and control of the fleet and the farflung Shore Establishment speedily, reliably, and effectively.

The safety of our military personnel has been an all-important consideration by the committee and a number of items have been approved to improve safety conditions for personnel especially in the area of high performance aircraft operations.

The program, as approved by the committee, contains little which reflects new missions. It is a program which will provide the Navy with the funds urgently required to support fleet operations and to meet approved operational dates for new strategic requirements.

On the construction program for Naval Reserve Forces, the committee approved all of the funds requested for the program. The program this year is modest in scope involving 38 items of which 4 exceed $500,000 in estimated construction cost.

DEPARTMENT OF THE AIR FORCE

The provision of operating facilities for the strategic forces is still the Air Force's most pressing responsibility. In support of this very vital deterrent role of SAC, about 55 percent of the total fiscal year 1961 military construction appropriation program for the Air Force is in this area.

Three-fourths of the Air Force amount in this bill is for our overall strategic forces, and, provides funds for construction of facilities for the Atlas, Titan, and Minuteman missiles.

A basic philosophy has been to disperse the ICBM missile sites and to "harden" the construction. The last six squadrons of Atlas and all Titan and Minuteman squadrons will be protected by "hardened" construction-underground silos.

This appropriation request provides only minor additional facilities for Atlas. It provides facilities for four additional Titan squadrons (the 7th through the 10th), and for test and technical support as well as training facilities for Atlas-Titan.

Mr. President, the Congress has approved $90 million of construction authorization in Public Law 86-500 for these additional squadrons. The Air Force proposes to fund the largest part of this construction with savings from prior years appropriations and the balance from new funds in the new requested for fiscal year 1961. The bill before us will support the Air Force in these plans to expedite the very vital intercontinental ballistic missile program. Some additional adjustments will be necessary in the Air Force program to provide full funding.

The latest ICBM is the solid propellant Minuteman. The fiscal year 1961 military construction program includes funds for construction for the first three operational squadrons plus additional silos for test and training, and advance site preparation for squadrons which it is anticipated will be constructed under next year's program.

A total of $17 million is requested for construction for the Samos and Midas satellite systems. The improvement in warning notices expected from the satellites will be an invaluable assist to the exercise of our retaliatory force, when the act of retaliation must be determined in less than 30 minutes.

On March 24, General White proposed certain changes in the air defense program to accomplish three primary objectives: More timely completion of an improved defense against the air breathing threat; acceleration of systems designed to provide ballistic missile warning; and an improved deterrent posture.

The impacts on construction that the Air Force has been able so far to identify are primarily in the Bomarc and super-SAGE areas. There are no funds for these programs in the fiscal year 1961 appropriation program.

The proposed construction for the air defense area shows that a major portion of the funds requested for air defense relate to the modernization of radar and communication equipment, necessary operational and maintenance facilities and miscellaneous items in the aircraft control and warning nets which protect the approach to the country.

Finally, about 32 percent of the total program is requested for construction to support our tactical forces, the Military Air Transport Service, and general support functions which do not specifically relate to any single mission area but which are indispensable to the effective performance of the overall Air Force mission.

Mr. President, this concludes my remarks. I would be happy to answer any questions my colleagues may have on this Department of Defense construction appropriation bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MANSFIELD], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from New Jersey [Mr. CASE] is absent because of illness in his family.

The Senator from Iowa [Mr. MARTIN] is absent, by leave of the Senate, on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from New Jersey [Mr. CASE] would each vote "yea."

The result was announced—yeas 81, nays 0, as follows:

[No. 255]

YEAS—81

Aiken	Engle	Magnuson
Allott	Fong	Monroney
Anderson	Frear	Morton
Bartlett	Fulbright	Moss
Beall	Goldwater	Mundt
Bennett	Gore	Muskie
Bible	Green	Pastore
Brunsdale	Gruening	Prouty
Bush	Hart	Proxmire
Butler	Hartke	Randolph
Byrd, W. Va.	Hill	Robertson
Cannon	Holland	Russell
Capehart	Hruska	Saltonstall
Carlson	Jackson	Schoeppel
Carroll	Javits	Scott
Case, S. Dak.	Johnson, Tex.	Smathers
Chavez	Johnston, S.C.	Smith
Church	Keating	Sparkman
Clark	Kerr	Stennis
Cooper	Kuchel	Talmadge
Cotton	Lausche	Thurmond
Curtis	Long, Hawaii	Wiley
Dirksen	Long, La.	Williams, Del.
Dodd	Lusk	Williams, N.J.
Dworshak	McCarthy	Yarborough
Eastland	McClellan	Young, N. Dak.
Ellender	McGee	Young, Ohio

NAYS—0

NOT VOTING—19

Bridges	Hickenlooper	Martin
Byrd, Va.	Humphrey	Morse
Case, N.J.	Jordan	Murray
Douglas	Kefauver	O'Mahoney
Ervin	Kennedy	Symington
Hayden	McNamara	
Hennings	Mansfield	

So the bill (H.R. 12231) was passed.

Mr. STENNIS. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. CHAVEZ, Mr. RUSSELL, Mr. JOHNSON of Texas, Mr. SALTONSTALL, and Mr. BRIDGES the conferees on the part of the Senate.

ORDER OF BUSINESS

During Mr. SCHOEPPEL's address on the Federal Aviation Agency,

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Kansas may yield without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, the distinguished minority leader inquired as to whether we anticipated any more record votes tonight. The answer is "No." We will ask the Senate to stay in session so long as Senators desire to discuss the conference report on the tax bill.

There will be no rollcalls so far as the leadership can prevent them.

ORDER FOR ADJOURNMENT TO 10:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for convening at 10 o'clock tomorrow be modified to provide that the Senate convene at 10:30 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON PROFESSIONAL SPORTS ANTITRUST ACT OF 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that following action on the conference report on H.R. 12381, the Public Debt and Tax Rate Extension Act of 1960, tomorrow the Senate proceed to the consideration of S. 3483, the Professional Sports Antitrust Act of 1960; that during consideration of the bill the time be limited to 1 hour on all amendments and to 2 hours on the bill, to be equally divided. I have cleared this with this distinguished minority leader and with those Senators interested in the proposed legislation, on both sides of the aisle.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Tuesday, June 28, 1960, following action on the conference report on H.R. 12381, the Public Debt and Tax Rate Extension Act of 1960, the Senate proceed to the consideration of the bill S. 3483, the "Professional Sports Antitrust Act of 1960," and that during its consideration, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

AIRCRAFT OWNERS & PILOTS ASSOCIATION CRITICISM OF SENATOR SCHOEPPEL'S DEFENSE OF THE FEDERAL AVIATION ADMINISTRATION

Mr. SCHOEPPEL. Mr. President, through a letter addressed to my administrative assistant by Max Karant, vice president of Aircraft Owners & Pilots Association, I have learned of that organization's plan to mail to every cer-

tificated civil pilot in Kansas a copy of my floor remarks of June 15 about the Federal Aviation Agency. I had not, myself, planned such widespread dissemination; and I am grateful to AOPA for its thoroughness.

It is possible that the mailing is motivated less by a desire to make my views known than by a desire to take a punch at me—and to get every certificated civil pilot in Kansas to do the same. There are 12,985 of them, including 7,753 who are active; and I await their reaction with more curiosity than nervousness. Frankly, I think they are considerably sharper about the abuse being heaped on the FAA than some folks in Washington think.

The "report" being mailed by AOPA has been constructed by chopping my floor remarks into arbitrary sections and then "commenting" on them.

At this point, Mr. President, I ask unanimous consent that the mailing piece sent out by the Aircraft Owners & Pilots Association be printed in the RECORD as a part of my remarks, together with the Max Karant letter transmitting it to my administrative assistant.

There being no objection, the letter and the circular were ordered to be printed in the RECORD, as follows:

AIRCRAFT OWNERS & PILOTS ASSOCIATION,
Washington, D.C., June 24, 1960.

Mr. JOE SKUBITZ,
Senate Office Building,
Washington, D.C.

DEAR MR. SKUBITZ: This is a copy of the report we contemplate mailing to every certificated civil pilot in Kansas.

I would particularly appreciate it if you would check to be sure that Senator SCHOEPPEL still subscribes to the views he stated in the RECORD. Of course, your comments on AOPA's comments also will be of interest.

Cordially,

MAX KARANT.

[From Aircraft Owners & Pilots Association Report]

SENATOR SCHOEPPEL SPEAKS

Civil pilots in Kansas will be interested in the following comments of Senator ANDREW F. SCHOEPPEL. They appeared on page 12638 of the June 15, 1960, issue of the CONGRESSIONAL RECORD. Senator SCHOEPPEL's office address is room 5313, Senate Office Building, Washington, D.C. His home is 115 South Rutan Avenue, Wichita.

"ACTIVITIES OF THE FEDERAL AVIATION AGENCY

"Mr. SCHOEPPEL. Mr. President, during the past several weeks, I have received many letters from physicians in Kansas and elsewhere who are protesting a Federal Aviation Agency regulation, effective June 15, 1960, requiring private pilots to take their qualifying physical examinations only from physicians designated by the Agency. This very matter is one of the subjects considered in hearings just completed by the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce.

"Also, recently, I have been receiving a barrage of communications protesting the requirement of the Federal Aviation Agency that during in-flight inspections of jet operations the FAA inspector sit in the seat immediately behind the pilot and copilot. Some of the pilots on Eastern Airlines, in particular, assert that by contract that particular seat must be occupied by a third pilot, even though the aircraft is certificated for operation without him.

"The communications I have received from the physicians and pilots have certain qualities in common. They are unusually well written. They are carefully reasoned. They express genuine woe about activities of the FAA's Administrator, Elwood Quesada. But they also contain evidence that they have been cleverly inspired by sophisticated lobbyists. Those lobbyists have slanted the information furnished to the people who have been in touch with me.

"No man's opinion or judgment can have higher quality than the information from which that opinion or judgment rises. In consequence, I expect to find bias in communications from people whose principal information about the FAA comes from biased sources."

AOPA comment: Senator SCHOEPPEL uses the same technique here so often used by General Quesada himself: Members of organizations like AOPA, the National Business Aircraft Association, the Air Line Pilots Association, etc., are largely irresponsible, unthinking, uninformed citizens out in the grassroots. They are gullible, and easily vulnerable to the insidious blandishments of "sophisticated lobbyists," and are blindly parroting what they're told, etc. This, of course, applies only to FAA critics. Those who happen to agree with the FAA (like the American Medical Association, for example) are "highly respected professional groups," "leaders of thinking in their fields," "stanch champions of aviation safety."

AOPA frankly admits bias. We doubt that Senator SCHOEPPEL's record could support any contention that he is unbiased. To say that General Quesada is unbiased borders on humor. But AOPA's bias, at least, rigidly avoids political party lines; our bias is solely and exclusively concerned with all U.S. civil aviation. Our bias strongly favors the democratic processes, and if Senator SCHOEPPEL had attended the hearings he criticizes, he would have had ample opportunity to question all the "sophisticated lobbyists" as thoroughly as he chose, to see for himself if the many statements about the FAA from all segments of industry and the public are founded in fact.

"I regret that I have not been able to attend all of the hearings of the Aviation Subcommittee during its review of the Aviation Act of 1958. However, the transcripts of the hearings have been available to me and I know the points made by the various witnesses. In my judgment, the hearings have failed to demonstrate that Administrator Elwood Quesada is an arrogant tyrant, as so many of my correspondents claim. Neither have they shown that he is lawmaker, prosecutor, judge and jury, as is likewise asserted."

AOPA comment: This sweeping generalization is easily checked. AOPA and many others put into the voluminous record many detailed, factual case histories. If Senator SCHOEPPEL read the record, as he claims, then his definition of the democratic processes, and ours, differs widely. AOPA will nevertheless stand on the record.

"What the hearings have shown is that the Administrator of the FAA, as head of an agency with some 36,000 employees, has used them well in carrying out the mandate of the Congress. That mandate included a direction to make flying safe—for passengers, for people on the ground, and for the air crews themselves. It implied support for whatever action might be necessary to control the flier who thinks it is nobody's business if he wants to risk his own neck. If Administrator Quesada has erred, it is in a public-relations way; he has hurt the feelings of the executives of certain organizations by declining to accept them as exclusive spokesmen for all who fly or as the sole arbiters of the public good.

"I have been disappointed that organizations with an honorable record of dedicated service to aviation now present a public image of churlish resentment against constituted authority. They are entitled to consideration and redress of sound grievances, but they ill prepare the way for such consideration when they engage in vest-pocket revolts against Federal authority or snipe at Federal officials."

AOPA comment: Again, AOPA will stand on the factual record. If Senator SCHOEPPEL thinks all this is a "vest-pocket veto," he'd be well advised to make a careful check with the general aviation industry in his own State—including two of the world's largest general aircraft manufacturers—to make sure he is right.

"The Aviation Act of 1958 was a major undertaking designed to meet the needs of an aviation industry that has grown almost explosively. The act gave the Federal Aviation Agency a single head because decisiveness was and is a prime requirement. As a result, actions have come fact. But there has been nothing to indicate that any regulation has been promulgated solely to harass, punish, or annoy anybody, or that bureaucracy needlessly has been throwing its weight around.

"There may be ways in which the Aviation Act of 1958 needs amending. Our Aviation Subcommittee hearings have revealed some rough spots on which our committee may want to work next year. Unfortunately, the hearings have also revealed a studied effort on the part of a few people to propagandize their way to domination of the Agency that is supposed to regulate them. In the process they have been intemperate to the point of abusiveness and have sought to badger Administrator Quesada into resigning. Fortunately for all of us, he has had the courage to resist and to answer calumny with reason."

AOPA comment: In his zeal for defending General Quesada, Senator SCHOEPPEL overlooks many things—again from the factual record. U.S. civil aviation eclipsed that of all the rest of the world combined, long before General Quesada or the Federal Aviation Act of 1958 arrived on the scene. Every major safety effort, every major safety accomplishment was achieved before the advent of the FAA. All were conceived and put into use in an atmosphere of democratic cooperation and comparative freedom from bureaucracy. Senator SCHOEPPEL's defense of General Quesada, against the interests of an important segment of his own State's contribution to U.S. civil aviation, is particularly puzzling because of the ready availability to him of this voluminous factual record.

Mr. SCHOEPPEL. Mr. President, the first "AOPA comment" would imply that I have accused the members of that association and some others of being "largely irresponsible, unthinking, uninformed citizens out in the grassroots." Let me point out, Mr. President, that those words are the language of the "AOPA comment." They are not my words, and they do not express my views.

While I cannot claim to know more than a few of the certificated civil pilots in Kansas, the ones whom I do know are fine people. They are responsible, thoughtful, and better informed than the general run of citizens. At the same time, because of their very natural desire to fly with as few restraints as possible, they are inclined to give sympathetic ear to anyone who shouts "Down with those who would regulate us." This is not an unusual nor an immoral attitude; I do not condemn it, but I must recognize it and be fully aware of its implications.

I commend AOPA for frankly admitting its bias. I could commend it even more if, in communicating with its members, it would report facts and editorial

views separately, instead of mixing the two together. Nevertheless, an organization like AOPA is important and valuable in the legislative process. It helps to mobilize and get on the record many of the elements that have to be considered in legislation.

We would be still better off if there were also an organization made up of people who do not own aircraft and who are not pilots. I know of no such organization, but there are many such people. I try to keep their interests in mind, along with those of the AOPA members.

The first "AOPA comment," availing itself of the opportunities for ambiguity inherent in the English language, makes it easy for a reader to infer that I could have attended more aviation hearings if I had chosen to do so. That is correct, but I would have had to neglect other hearings and other duties. Here is my problem: There are four standing subcommittees in the Senate Committee on Interstate and Foreign Commerce, and I am on two of them as well as three special subcommittees. Commonly, they hold hearings at the same time. I am not the ranking minority member of the Aviation Subcommittee, but when I cannot attend its sessions, I am represented by either the assistant chief clerk or the assistant chief counsel, who work under my direction and report to me.

In addition, I am a member of the Senate Committee on Agriculture and Forestry and serve on two of its subcommittees. I am a member of the Select Committee on Small Business, and two of its subcommittees. I am a member of the National Water Resources Committee.

I do the best I can in apportioning my time, being guided somewhat by the nature of the hearings, the importance of the subject matter to my constituents, and my appraisal of whether I personally need to query the witnesses. In this connection, it might be well to point out that the aviation hearings were simply a general review intended to lay the groundwork for later legislative action. They were not concerned with specific bills.

The second AOPA comment disagrees with my statement that the hearings failed to demonstrate that FAA Administrator Elwood Quesada is an arrogant tyrant or that he is lawmaker, prosecutor, judge, and jury. I acknowledge that AOPA witnesses, and others, put much testimony into the record and raised some serious questions. But there was other testimony as well, and much of it served to put the AOPA testimony in full perspective. My job as a member of the Aviation Subcommittee is not to choose which witness to go along with, but to arrive at a sound appraisal of the legislative need.

As I see it, the hearings did demonstrate that there is need for some sort of review procedure within the FAA. To give review powers to the Civil Aeronautics Board would be a little awkward, as both it and the FAA are administrative agencies created by the Congress. More appropriate would be some structuring of powers within the FAA that would permit an aggrieved pilot, or an aggrieved AOPA, to put its problem before new people after an adverse decision from an administrative subordinate. No doubt the Congress will work on some such solution in the next session.

The third AOPA comment implies that I am out of touch with the general aviation industry in my own State and recommends that I check the views of "two of the world's largest general aircraft manufacturers" located in Kansas. The general manager of one of those manufacturers, Mr. John P. Gaty of Beech Aircraft Corp., wrote a letter to a mailing list of pilots on May 23 of this year. His letter was introduced into the record of the aviation hearings and reads in part as follows:

> You undoubtedly are familiar with the efforts that have been made to improve safety for all users of the airspace by FAA Administrator E. R. "Pete" Quesada. He has instituted a very forceful campaign to require alertness and continued attention by all pilots toward other aircraft using the same airspace. A good many people have been reprimanded and some of them have been fined for not taking this campaign seriously, and for not complying with the directives. * * *
>
> These and other controversial actions have created a considerable body of unhappy people, which is always bound to occur when accepted practices are changed and old rules are reinvigorated.
>
> * * * * *
>
> We do not completely endorse every action which has been taken, but we are convinced that the net results of all the actions of "Pete" Quesada has been very beneficial to the safety of those who fly in the skies over America. * * *

I must admit that so far nobody in Kansas has written me to say that I am on the right track in supporting the safety efforts of the FAA under Elwood Quesada and that I have received a few letters critical of my views. More, I suppose, are on the way inasmuch as my address at Washington and at home is being sent by AOPA to every certificated civil pilot in Kansas. Again, it seems pertinent to note that there is no organization of people who are not aircraft owners or who are not pilots.

The final AOPA comment points out that U.S. civil aviation eclipsed that of all the rest of the world "long before General Quesada or the Federal Aviation Act of 1958 arrived on the scene," and that "every major safety effort, every major safety accomplishment was achieved before the advent of the FAA." I agree. But I also can remember when it was possible to drive an automobile without having a driver's license, and when it was possible to get a driver's license without knowing the law or taking a test.

Those days are gone. Before this session ends, we may have our first law setting up in the Department of Commerce central registration of violations of motor vehicle laws. Regulation is the penalty we pay for population growth and progress.

Now, Mr. President, I wish to quote briefly from two of my colleagues who were debating on the Senate floor the evening of June 22. Both are experienced pilots, but their views are diametrically opposed. The Senator from Arizona [Mr. GOLDWATER] said, in part:

> When a man has flown, as I have, for 30 years, and has never been asked to show, first, his license; second, his medical certificate; third, a certificate of proficiency in the aircraft he is flying; or fourth, an instrument ticket indicating his proficiency to fly on instruments, I say it is time for some kind of strong action.

The Senator from California [Mr. ENGLE] then asked:

> How much safer would the Senator have been while flying if he had to show a private pilot's license, if he had to show a medical certificate, if he had to show a certificate of competency in the aircraft he was flying, and if he had to show an instrument ticket?

And this was the reply of the Senator from Arizona [Mr. GOLDWATER].

> I think I would have been a much safer pilot. I can remember times when I have flown aircraft which I had not been in for a year of two. It is not that I would not have been safe, but I had not been in the aircraft for a long period of time.
>
> I have friends who fly under instrument conditions but who do not have an instrument ticket. They have trained themselves. On occasions, I have known persons who obtained a medical certificate merely by picking up the phone and saying, "George my time is up. Send me a card." One can get a card for a few dollars. But such a person might have had diabetes or a heart attack in the meantime.
>
> I maintain that while these requirements are just as distasteful to me, as a pilot, they will nevertheless promote safety; and particularly in the minds of the people there will be instilled a desire for safety.

Last Saturday, Mr. President, there was delivered to my office a release issued by the Air Transport Division, Transport Workers Union, AFL–CIO. It reads as follows:

> WASHINGTON, June 25.—The Air Transport Division of the Transport Workers Union, concluding its week-long annual meeting here today voted unanimous support for the policies and actions of the Federal Aviation Agency Administrator, E. R. "Pete" Quesada.
>
> James F. Horst, director of the ATD which represents approximately 22,000 airline employees (mechanics, stewardesses, navigators and other ground personnel), asked for the vote of confidence in his closing speech.
>
> Horst told the ATD delegates:
>
> "We have seen Mr. Quesada take over a hopelessly mismanaged agency which had been strangling in its own red tape for 20 years. From the day he took over this agency he was under the gun of public concern due to one of the worst safety records in the history of aviation during the previous year.
>
> "With little regard for the special interests and pressure groups which had been running the aviation industry for more than 20 years, Mr. Quesada set about the business of improving safety. We can find no action he took this year that was not aimed at this objective.
>
> "While our membership has not always been in agreement with some of the FAA decisions, it has entirely supported the overall workings of the agency.
>
> "We feel that some of the attacks on Mr. Quesada have been ill deserved and ill advised. We therefore feel it urgent to have our expressed support of Mr. Quesada added to the record of those criticisms in the hope that some balance may be reached. If we are to continue to have dedicated public

servants guiding the aviation industry and avoid the old days of political hacks, we must support the Agency and its Administrator.

"I, therefore, ask for a vote of confidence for the Agency, its Administrator and policies."

Unanimous approval was voted following Horst's speech.

In closing, Mr. President, I urge the officers of the organizations which are feuding with Administrator Quesada and the FAA to stop shouting long enough to take a good look at themselves and what they are doing. They misjudge the caliber of their membership if they think they have to keep up a running fight with the FAA in order to keep dues coming in.

There is no blinking the fact that we are running out of airspace. The faster planes fly, the greater is the block of airspace needed for each aircraft during a given period of time. To keep the airways safe for scheduled airline flights, for general aviation, and for people on the ground calls for all the talent and self-discipline we can muster.

Organizing aviation for safety is a job that government has to do. Nostalgia for a simpler way of life is no substitute for regulation we must have. The rules adopted must be of uniform application.

This means that sparsely settled areas of the country may get more regulation than they alone need, but if a pilot from a sparsely settled area flies into a congested area, we want him to be skilled enough and healthy enough to do it with safety for all. There simply cannot be separate rules—for there is no separate airspace—for the uncomplicated individual who wants only to do a little country flying, and who confuses the privilege of private flying with the constitutional Bill of Rights.

I do not want my defense of Administrator Quesada and the FAA to be taken to mean that I think either the Administrator or the Agency is 100 percent right 100 percent of the time. Mr. Quesada would be the first to admit that he makes mistakes. But I have noticed that he tries to profit from them. After he had been criticized in our aviation hearings on the ground that the FAA conferred too little with the industry before proposing rules under the rule-making procedure, Mr. Quesada called a conference to help formulate a proposed rule for aerial crop sprayers, or aerial applicators as they are often called.

He acted at the urging of a large segment of the aviation trades industry, but the date he set for the meeting was all wrong for aerial applicators in Kansas. They still have not forgiven him, even though he was acting in complete good faith. This was amply demonstrated when he offered to call a supplementary conference on the same subject to be held at a time convenient to aerial applicators in Kansas and other wheat-growing States. The date has not yet been set, but I have no doubt that Administrator Quesada will follow through in complete good faith.

Mr. President, after Congress adjourns and the campaign drums start rolling—and they will—the people of this great land will be so preoccupied that organizations and individuals feuding with the FAA can drop their feud and no one will ever notice it. In the belief that such a course is best for them and for the Nation, I commend it to their thoughtful consideration.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield.

Mr. GOLDWATER. Mr. President, I shall be brief.

I compliment the distinguished Senator from Kansas for speaking out on a subject on which I think many of us have remained silent too long.

I think the Senator's reasoned approach to the AOPA feeling in this matter is to be complimented. I have been a member of AOPA for more years than I can remember. I must say it is one of the finest organizations in the United States. It has done many fine, wonderful things for flying. It has promoted flying. It has made insurance easy for pilots to obtain. It has promoted better and easier-to-follow navigational charts and systems. On the whole it has done a really outstanding job.

However, as a member of this organization I must express some concern about the methods which it has used in attacking our positions.

As the Senator from Kansas knows, I have supported General Quesada. I think he is an individual long overdue in civilian aviation. I have received letters from lifelong friends of mine in Arizona, with whom I have flown all the years I have been flying, who are at a complete loss to understand my positions. They have learned of those positions from only one source—and not from me.

For instance, let us consider what I believe the Senator will agree is the most contested decision of Mr. Quesada—the medical examinations by trained medical doctors. I cannot say at this early stage in the game if I believe this is the ultimate answer to the problem. As one who has to be examined by a flight surgeon every 2 years in the Air Force, I know there is no comparison between the examination given to these pilots and the examination which the Air Force long ago found necessary to give by specially trained doctors in this field to its pilots. It might be that every family doctor could be trained in the different approaches to examination that are needed in examining for flight. But glaring mistakes, which we can document, occur. I have talked in the Senate about such mistakes as those to which the Senator has alluded. One such incident was a telephone call which would bring a medical certificate. That certainly is not safe. I would shudder to think of flying in an airplane with a man who had had a heart attack and yet held a perfectly valid medical certificate which he had obtained by making a telephone call.

I think possibly General Quesada's steps will do away with that abuse, and if pilots are required to go to established flight doctors, they will take a little better care of themselves because they know they cannot fool the flight doctor. He is not a personal friend.

This is a field we shall have to watch develop. There has been a tendency in the field of strictly private flying ever since its inception to resist change.

An admiral, whose name unfortunately I cannot recall, in a series of articles a few years ago suggested that before a man or a woman receives his or her private pilot's license, he or she should have training in the use of instruments, so that if he inadvertently got caught on top of an overcast or in weather, he could perform a simple maneuver that we call the 180 degree turn to get out. Private pilots resist such changes. Now such a requirement is part of a private pilot's license test, and the requirement will cut down immeasurably the losses of men and women who, through sheer ignorance or bad fortune, find themselves in instrument weather, but are not able to control the aircraft and therefore crash with death as a result.

That requirement was a step forward, although at first it was resisted. I am hopeful, in view of the fact that we have so much to do in the field of safety, that the AOPA will not be too harsh on those of us who have chosen to stand by Quesada in his insistence that the rules be observed. I am hopeful that the AOPA will show the same good judgment it has always shown. We will find out what the innovations in enforcement of the rules will do. I cannot help but think of the strenuous type of examination that the airline pilot constantly undergoes and the strenuous type of examination to retain his proficiency that the military pilots take. I cannot equate for one moment that idea with the private pilot's requirements which permit him to fly because he has somehow learned how to get an airplane up and down, and therefore he should be allowed to do pretty much what he wants to do on the airways or off the airways.

I can remember the old open cockpit days when I had the wind in my face; I know many of us long for those days. However, I realize that with the crowded conditions of our airways today we must have more and more of the application of efficiency of the airlines and the military to our private flying, even though we need never go all the way.

Mr. SCHOEPPEL. I am sure the distinguished Senator from Arizona, who is a great flyer with long experience and uses good judgment in relation to those things, has added greatly to this discussion of a very important matter.

I know a number of fine pilots who belong to this organization. They are good, careful, and conscientious men. Last week I flew with some of them. Frankly they have said to me that they have been somewhat distressed by the turn of events here.

Our committee is holding a series of hearings to determine what should be done with reference to a new look at some of these regulations, whether an appeal procedure should be devised, and how it should work. This was not a series of hearings on certain bills. However, the pilots feel that way.

I am sure the great Senator from Arizona feels that if we are to have constituted authority, chargeable with the responsibility of administering a law, which the pilots did not ask for—the Congress of the United States gave it to them—we should back up that constituted authority in every practical way, and the Administrator should not be subjected to unnecessary harassment that sometimes goes beyond the record, the facts, and the circumstances, for if such harassment continues good men are discouraged from accepting those responsible positions.

By that I do not mean that General Quesada has always been right. I have disagreed with him. But I give him the benefit of doubts.

If good men leave responsible positions by reason of unjust criticism, it will be hard to find men of stature, standing, experience, and ability to fill these important spots under laws which Congress itself has passed, making it mandatory that someone of responsibility fill that position.

Mr. GOLDWATER. My friend is absolutely right. One of the reasons we have these new laws and regulations has been because of the insistence of excellent flying organizations such as AOPA. Now I am distressed as a member to find that organization using political subterfuge, it might be said, to try to get us to change our positions by implying that 36,000 pilots in Kansas could be influenced to vote against my friend from Kansas because he does not agree 100 percent with the AOPA. I regret such action. I wish this organization had not taken that step. I wish that it had taken the position that the laws must be obeyed. The regulations are the result of the laws. We either enforce them or we do not enforce them.

In closing, I say to my friend that for at least 30 years of my life as a pilot the regulations were not enforced. Ninety-four percent of our accidents are due to pilot error, not to aircraft failure. We must therefore do something to keep pilots from getting into trouble.

The situation is similar to that in relation to automobiles. I can remember the days when we did not have drivers' licenses. Then came the day when all anyone needed to do in order to obtain a license was to send a letter and he would get the license. Today a test is required.

Frankly I do not think the tests for automobile driving are difficult enough. But we have reached a point of maturity in our flying when I feel that more stringent applications of the rules and regulations will result in greater safety, and the private pilot will not be restricted in the use of his aircraft.

I make that statement as one who has flown in days of no enforcement and is flying now in days of enforcement. If we do what we know is right, there is no difference. I wish again to compliment my good friend from Kansas for this long overdue statement on the AOPA and its relationship to the whole question of the modernization of our FAA.

Mr. SCHOEPPEL. I wish to thank the Senator from Arizona. I am sure he knows that I made these remarks in the spirit of trying to be constructive. So far as I am personally concerned, I have no score to settle. I simply feel that we ought to approach this question in a fair and logical manner and within the spirit of the legislation which is sought to make better and safer flying conditions, not only for the men who are in the cockpits but for the many people who fly back of the cockpit, the private fliers, and their friends when they go up.

Mr. GOLDWATER. I wish to say that the airplanes that I fly are made in the State of Kansas. Not only is the Senator from Kansas constructive, but I think the Beech aircraft factory, Cessna, and the other aircraft companies in his State are certainly among the most constructive leaders in the manufacture of aircraft for private and commercial use.

Mr. SCHOEPPEL. They are great people, and we are happy they are in Kansas.

Mr. CLARK obtained the floor.

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the junior Senator from Tennessee [Mr. GORE] briefly without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICAL CARE AND HOSPITAL CARE FOR THE AGED AND AGING

Mr. GORE. Mr. President, I introduce a bill the provisions of which I propose to offer as a substitute for title VI of H.R. 12580, a bill which, among other things, deals with medical care and hospitalization for our aged and aging citizens.

After careful study, I have concluded that title VI of H.R. 12580 is not only wholly inadequate but that it is erroneous in method of treatment.

Mr. President, as an illustration of the inadequacy of this portion of the House bill, I call attention to a table at page 11 of the report of the Committee on Ways and Means of the House of Representatives with respect to H.R. 12580. The table indicates an estimated annual cost of $23,000 as the Federal share of the cost of the proposed program of medical care benefits for Tennessee citizens other than those receiving old-age assistance. As of now, there are 223,494 citizens of Tennessee who are receiving benefits under the social security program. The $23,000 would amount to approximately 10 cents a year per person, as a contribution to the cost of hospitalization and medical care for these persons. I point out that in the State of Louisiana only $141,000 additional would be available for all the aged and aging people, including those permanently disabled, and their dependents. This is wholly inadequate.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield from time to time to the three Senators who are on the floor, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Pennsylvania and the distinguished Senator from Tennessee for yielding.

Of the total which is contained in the House social security bill—a better name for it would be a poorhouse bill—there would be available for medical care in the State of Texas, for persons on social security, to be contributed by the Federal Government for the 475,000 persons in the State who would so qualify, the total sum of $161,000 a year, or about 30 cents a person a year. This amount would be spent on medical care for persons on social security, retired and permanently disabled, and dependent children and widows. That would average 30 cents for each. It would include hospitalization and visits by doctors to homes and to doctors' offices. It would amount to 30 cents a year, Mr. President. That is what we are told would be spent for the aged people who need this care in the State of Texas. I thank the Senator for pointing out these facts to the Senate. I ask unanimous consent that I may be permitted to be a cosponsor of the measure the Senator has introduced.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. I thank the Senator.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. Can the Senator give us some idea as to what is hoped to be accomplished with $141,000, which works out to about a dollar per person per year in Louisiana?

Mr. GORE. I am not prepared to justify the House bill. I am reading from page 11 of the House report, table A, entitled "Estimated Annual Cost Under the Proposed Medical Services for the Aged, Title XVI, and the Program for Improvement in Medical Services Under the Old Age Assistance Program."

I can hardly visualize very much improvement in medical care and hospitalization at a cost of $1 a year per person.

Mr. LONG of Louisiana. In the State of Louisiana a charity hospital system has been established, which I believe spends in excess of $20 million a year in providing medical care for persons who feel they are unable to pay for hosiptal care. By contrast, I must say that what the Senator has mentioned is a pitifully meager figure. As we know, the medical bills of the aged people are far higher than those of the younger people. How much would the bill provide for persons who are on the public welfare rolls in Louisiana? I believe there are about 150,000 persons on those rolls. What would be provided for them?

Mr. GORE. The table does not list any amount in that category for the State of Louisiana.

Mr. LONG of Louisiana. Zero?

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. GORE. I yield

Mr. YARBOROUGH. I note that there is a footnote at the bottom of the table which states that Louisiana has a monthly payment in excess of $65. The footnote states that in such States under this program the Federal matching would be 5 percent. So it would mean that the

Federal Government would put up 5 percent of the money in Louisiana under the House bill. I should like to make plain my previous statement, if I did not make it clear before, that the amendment the distinguished Senator from Tennessee has offered does not have any reference to the total from which we are reading.

We are reading from the House committee table. The Senator from Tennessee has offered an amendment which would very markedly change the situation.

Mr. LONG of Louisiana. If only 5 cents is involved from the standpoint of Federal matching funds, as against 95 cents of State matching funds, I wonder whether we should bother with Federal suggestions as to how the program should be operated, if all the Federal Government is to contribute is 5 cents. Complying with all the Federal red tape that would be involved would hardly be offset by the 5-cent contribution of the Federal Government.

Mr. GORE. Lest I do an injustice to the House bill, let me make it plain that I do not claim to be an authority on it. I am referring to the table on page 11 of the committee report.

These figures are apparently based upon the proposed establishment of a needs test to qualify for medical care and hospitalization. As I understand, the needs test under the bill would not be uniform throughout the country. Two States having different tests or qualifications for old-age assistance would receive different amounts under the bill.

I do not claim that the bill I have introduced is the last word on the subject. However, I do believe that it would be preferable to the House bill.

I ask unanimous consent at this point in my remarks to have printed a summary of the major provisions of the bill I have introduced.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

MAJOR PROVISIONS OF THE HEALTH INSURANCE BENEFITS BILL INTRODUCED BY SENATOR GORE

I. COVERAGE

The bill covers all retired individuals (men over 65 years of age, women over 62 years of age) except individuals receiving retirement or annuity benefits under the Civil Service Retirement Act or the Railroad Retirement Act. In addition to OASI beneficiaries, the bill covers recipients of old-age assistance and other men and women who meet the qualifications for retirement as set out in the bill.

II. BENEFITS

Under the bill, payment is provided for the following health services:

(a) Hospitalization—up to 60 days in any calendar year.

(b) Nursing home care—up to 120 days in any calendar year.

(c) Home health service—up to 180 visits in any calendar year.

(d) Professional services by physicians, either office visit or home visit—up to a total of 25 visits in any calendar year.

(The foregoing services are available in any combination so long as the total does not exceed 60 units in any calendar year. For the purpose of this computation, 1 day of hospitalization equals one unit, 2 days of nursing home care equals one unit, 3 days of home health services equals one unit, two home visits by a physician equals one unit, and four visits to a physician's office equals one unit.)

(e) Diagnostic outpatient services, including laboratory tests and X-rays.

(f) Surgeon's fees.

(g) Such drugs as may be specified by the Secretary of Health, Education, and Welfare, provided they are prescribed generically, not to exceed the amount of such drugs prescribed for use within a period of 30 consecutive days in any calendar year.

III. FINANCING

That portion of the cost attributable to OASI beneficiaries would be financed by a one-fourth percent increase in the social security tax, both on the employee and employer (three-eighths percent increase in tax on self-employed who are covered under OASI).

That portion of the cost attributable to beneficiaries who are not covered under OASI would be financed by appropriations from the general fund of the Treasury. A substantial portion of this cost would be offset by reductions of payments for medical assistance now being made under the old-age assistance program and other programs.

The bill would create a Federal medical insurance trust fund from which payments would be made on account of services rendered for which benefits are payable under the bill.

Mr. GORE. Mr. President, on tomorrow the Senate Finance Committee is scheduled to begin consideration of H.R. 12580, which has been referred to it, and the problems with which it deals. I think these problems which affect, or will affect, nearly every man, woman, and child in America deserves and require careful consideration, including public hearings. If Congress had no bill except this one with which to deal, I would seriously question if adequate attention could be given to the subject by both the Senate and by a conference committee this week. This bill, however, is but one of the many important questions with which this Congress should or must deal before adjourning sine die.

Earlier today I recommended to the distinguished majority leader, the senior Senator from Texas, that Congress recess at the end of this week until a specified date after the two national party conventions. This recommendation was very much against my personal preference as I, like many other Members, had planned to spend the month of August with my family and friends at a place of our choosing, and had planned to visit throughout my State during September. Nevertheless, I think, in the interest of orderly consideration of legislation of overwhelming importance, such a course of action is the only prudent course, given the situation facing us today.

True, we will be in the throes of a national campaign after the conventions, but the Senate has been in the throes of a presidential campaign almost all year. At least after the conventions each party will have only one candidate.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3763) to provide for the payment of hospital and other health services furnished to aged retired individuals, and to provide for a continuing study of the health needs of such individuals, introduced by Mr. GORE (for himself and Mr. YARBOROUGH), was received, read twice by its title, and referred to the Committee on Finance.

Mr. CLARK. Mr. President, I commend the Senator from Tennessee for the statement he has just made, and, with very deep reluctance, express my strong support for his view that we should come back after the conventions and do the business we should have done months ago. I believe it is unwise for Congress to run out of Washington in a hurry, not having taken care of the national interests with respect to so much proposed legislation which is still pending and which deserves the careful and unfatigued consideration of this body. I, too, had hoped to take the month of August for vacation; but I believe it is our duty to come back, as the Senator from Tennessee has suggested.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12381) to increase for 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain exise tax rates.

Mr. CLARK. Mr. President, I oppose the conference report on the tax bill, H.R. 12381. No one has become more keenly aware than I, after four sessions in this body, of how futile it is to make long speeches at night, when the Senate Chamber is almost empty, and one is imposing on a good friend who is presiding and another good friend who is under the obligation of remaining here as the acting minority leader. I apologize to them and to the staff, and also as appears to my bewildered, aging eyes, four weary, but extremely competent members of the press gallery, who I suppose, must stay at their posts until the conclusion of today's session. I hope that a few words of what I may say may go out to the press services and perhaps even appear in the news columns, if not the editorial page, of the Wall Street Journal. Perhaps that will have some effect on my colleagues and also on the general public in connection with the vote the Senate has agreed to take on the conference report at 2 o'clock tomorrow afternoon.

Mr. President, I wish to make two points: First, the conference report, if adopted, will commit Congress to a course of conduct which is fiscally irresponsible; second, the objections of the Treasury to the amendments adopted by the Senate, but which were deleted by the conferees, are largely frivolous.

First, with respect to fiscal irresponsibility, on several days last week I undertook to place in the RECORD a box score of what Congress had done and was about to do to the President's $4,200,000,000 surplus. That box score, of necessity, has to change from day to day.

For example, this afternoon, in passing the military construction appropriation bill, the Senate approved a bill providing $120 million less than the budget estimates. The House went even further under those estimates. The conference report may result in further savings; no one can tell. Nevertheless, viewed on an overall basis, I think few Senators would deny that the actions which Congress has taken and will take have come so close to wiping out the entire $4,200 million surplus that we cannot see with the naked eye what is left. Let me tick off the items totaling more than $4,200 million which support my last statement.

The defense appropriation bill is $1,200 million over the budget estimates. The health, education, and welfare appropriation bill is close to $500 million over the budget estimates.

The pay bill, which was not in the budget at all, knocks another $700 million-plus off the surplus.

It is perfectly clear that Congress will not pass the postal rate bill which the President requested, so there goes more than a half billion dollars more off the surplus.

It does not look as though Congress will pass a bill to provide for an additional tax on aviation fuel, as the President recommended. There goes more than $100 million more off the surplus.

Pending, although not yet in conference between the two Houses, are two different versions of a Federal Aid to education bill. The Senate bill calls for $900 million a year over and above the budget figures; the House bill, $325 million. Let us be conservative and say that the conferees, when they meet—and I hope they will meet—will report a bill which will cost perhaps $600 million more than the budgeted figure. So that amount will come off the surplus.

Then we have passed a housing bill which will cost another $100 million.

The bill we are to take up shortly providing medical care for the aged may cost another $100 million.

H.R. 10, which I hope we shall not pass—but I suspect the votes are here to pass it—will cost another $200 million.

We have made some savings in appropriation bills—around $400 million, and we may make more.

However, as I think almost everyone will agree, the items which I have ticked off just about abolish the surplus of $4.2 billion.

The amendment of the Senator from Tennessee [Mr. GORE], which the conferees approved, might conceivably save $50 million in fiscal 1961. However, there are offsetting items, such as the Department of the Interior appropriation bill and the Federal tax credit bill, which pretty well wipe out any additional revenue which will come from the amendment of the Senator from Tennessee, which I have not mentioned heretofore.

So I think I can sustain the proposition that the most intelligent guess one could make as of tonight is that Congress has wiped out the contemplated surplus. The situation, though, is worse than that, because the surplus was based upon estimated revenues of more than $84 billion, and that figure, in turn, was based upon an economy producing at a gross national product rate of $510 billion in calendar 1960.

Now the year is almost half through, but we have not yet reached that figure, and we see on the horizon ominous signs in regard to steel, housing starts, and a decline in the number of automobiles that it is believed will be sold this year.

So I suspect that the revenue the President has estimated will not come in. In that case, Mr. President, not only shall we have wiped out the surplus, but we shall also have created a deficit. I say that is fiscal irresponsibility at its worst—coming, as it does, at a time of a reasonably high level of personal income and a reasonably high level of industrial production, despite the fact that there is substantial unemployment and substantial underemployment. If the Congress cannot balance the budget in the fiscal year 1961, I do not know when the Congress will ever be able to do so.

So I say we should be looking for new sources of revenue, instead of finding ways—as the Treasury seems to be doing—of preventing us from obtaining those revenues.

In a moment I shall proceed to discuss the objections raised to my amendment; and tomorrow the Senator from Minnesota [Mr. MCCARTHY] will discuss his amendment. The objections of the Treasury to the McCarthy amendment are based on philosophical objections; and the result of the position taken by the Treasury would be to require a man who works for a living to pay higher income taxes than those paid by a man who does not work for a living. I do not believe that philosophical concept has the approval of the American people, and I hope it will not have the approval of the Senate of the United States. That was a philosophical concept which was written into the Revenue Act of 1954, during the only period in recent history when the Republican Party controlled both Houses of the Congress. Not to repeal it during a year when the Democratic Party controls the Congress by the large majorities by which it now controls them would, I suggest, be unfortunate, to put the matter mildly.

Because our party is firmly committed to closing tax loopholes, I shall like to read a plank from the Democratic Party's platform adopted on August 15, 1956, on which I ran, and which I take seriously:

> The immediate need is to correct the inequities in the tax structure which reflect the Republicans determination to favor the few at the expense of the many.

Mr. President, could you think, no matter how hard you tried, of two tax loopholes in our tax structure which favor the few at the expense of the many any more glaring than the dividend credit provision, which requires a man who works for his living to pay more income taxes than those paid by a man who does not work for his living, and the great swindle-sheet racket, which has bloomed to a flowering weed far more noxious than anyone thought possible during the 8 years of the Eisenhower administration? I suggest that to fail to close these two tax loopholes would be a repudiation of our platform.

I also wish to refer to a pamphlet published in December of 1959 by the Democratic Advisory Council. It is entitled, "The Decision in 1960, and the Need To Elect a Democratic President."

I read from page 12 of that pamphlet:

> Close the loopholes in the tax law. We are gratified the House Ways and Means Committee is now undertaking an intensive study of loopholes and inequities in the tax laws. Among the more conspicuous loopholes are high depletion allowances on oil and gas wells, special consideration for recipients of dividend income—

And here I point out that the McCarthy amendment, which the conferees discarded, was intended to wipe out that special consideration—

> and deductions for extravagant business expenditures which have reached scandalous proportions.

My amendment, which the conferees rejected, would have stricken out those deductions.

I turn now to the detailed comments made by my good friend, the senior Senator from Virginia [Mr. BYRD], in connection with bringing in the conference report earlier today.

I do not think I am telling any tales out of school when I suggest that this conference report was largely prepared by the Treasury, rather than by the distinguished members of the conference committee. Mr. Glasmann, Assistant to the Secretary of the Treasury, sat through all the meetings of the conference. The Senator from Delaware [Mr. WILLIAMS] came to the floor on Friday with a long letter signed by Mr. Glasmann, raising objection to my amendment. And when I answered those objections, on Friday, I found, later, that my answer was ignored not only by the Treasury, but also by the press.

Mr. President, I have been in politics long enough not to have my feelings hurt when the Treasury and the press ignore what I have to say on the floor of the Senate. But I suggest in all candor that one reason why the Treasury Department ignored my comments of last Friday is that the Treasury Department did not have any sensible answers to them. If the Treasury has, perhaps it will present them later.

Certainly, I found quite unpersuasive the objections which were placed in the RECORD by the senior Senator from Virginia [Mr. BYRD] earlier today.

I wish now to discuss briefly each of those objections.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Pennsylvania yield?

The PRESIDING OFFICER (Mr. LONG of Louisiana in the chair.) Does the Senator from Pennsylvania yield to the Senator from Wisconsin?

Mr. CLARK. I am happy to yield to my good friend, the Senator from Wisconsin, who has been such a valiant ally in this effort to persuade the Democratic Party to stick by its commitments and to overrule the frivolous objections of the Treasury to my amendment to elimi-

nate these serious and highly objectionable tax loopholes. I only regret that the amendment of the Senator from Wisconsin, which had to do with withholding the taxes due on dividends and interest payments, did not meet with the favor of the Senate. Frankly, I think that amendment was the best one of the entire lot and I regard its rejection as the most unsustainable.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

In regard to his own amendment, let me ask whether the Treasury has admitted that there are expense-account abuses under the present law.

Mr. CLARK. Yes.

Mr. PROXMIRE. In admitting that, has not the Treasury at least implied clearly that the present law is defective?

Mr. CLARK. Yes.

Mr. PROXMIRE. Has the Treasury ever made any constructive proposal to reform the law?

Mr. CLARK. Never.

Mr. PROXMIRE. Has the Treasury at any time indicated how the amendment of the Senator from Pennsylvania could be improved, in order to make it acceptable to the Treasury?

Mr. CLARK. Never.

Mr. PROXMIRE. Then the Senator from Pennsylvania is telling us that the Treasury admits the present law is defective and inadequate, that the Treasury has consistently refused to come up with any reform of the present law, and that the Treasury has not made any positive response, but has made only a negative response, to the efforts of the Senator from Pennsylvania to plug what the Treasury Department concedes is a substantial tax loophole. Is that correct?

Mr. CLARK. The Senator from Wisconsin is correct. The position of the Treasury Department, which I hope to show is unsound, is that much of this can be done by administrative regulation, and that the matter needs further study.

Mr. PROXMIRE. On that point, let me ask the Senator from Pennsylvania how long the present administration has had to study this problem.

Mr. CLARK. I hope the CONGRESSIONAL RECORD tomorrow will show "laughter" when I made that comment about the need for further study. I would think the Treasury should have been studying this amendment ever since the income tax law was passed in 1913, but they certainly should have been studying it since the swindle sheet racket became so open and notorious shortly after the Eisenhower administration took office.

In fact, last fall, the Collector of Internal Revenue, Mr. Dana Latham, told the Tax Institute, to which he was speaking, that abuses exist in the claiming of business expense deductions. I quote him: "Reprehensible practices do exist and they are of the type that arouse deep resentment in the hearts of those who are paying their taxes voluntarily and fully."

So while, in my judgment, the Treasury should have been studying this problem for at least 8 years, they have admitted awareness of the problem at least since last fall. I point out a quite similar amendment to the one now under consideration was presented by me and cosponsored by the Senator from Wisconsin [Mr. PROXMIRE] in the Senate on May 21, 1959, more than a year ago. The number of the bill was S. 2040.

In spite of these facts, I found the fantastic statement made by the Treasury, and I am paraphrasing, "In the short time we have had to study this proposal, very broad, unintended results may follow."

Mr. PROXMIRE. Last year, I recall very well, when the Senator from Pennsylvania pressed his amendment, the amendment was considered so very seriously by the distinguished chairman of the committee that, at one point, he offered to accept the amendment.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. So there not only was a very serious effort on the part of the Senator from Pennsylvania, but there was very serious concern about and understanding of the problem by the Senator from Virginia [Mr. BYRD], who is an outstanding expert in this field, as recognized by all. In spite of this fact, and the fact that the Treasury should have been put on notice that the Congress was deeply concerned with this problem, in more than a year the Treasury has failed to come up with any kind of suggestion or proposal as to how this problem can be worked out. As the Senator from Pennsylvania has emphasized, they have had 7 years to make the law workable by administrative means and take care of practices that are reprehensible, as they themselves have characterized them.

Mr. CLARK. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. CLARK. I can only conclude that the somewhat strong language in the Democratic platform of 1956 was completely justified. I think the attitude of the Treasury reflects the Republican determination to favor the few at the expense of the many.

Mr. PROXMIRE. I should like to ask the Senator from Pennsylvania whether, in his judgment, there are any family farmers who can take advantage of these loopholes.

Mr. CLARK. Not in Pennsylvania. I do not know about Wisconsin.

Mr. PROXMIRE. Are there any retired people on social security who could take advantage of these loopholes?

Mr. CLARK. I think there are some retired people who could take advantage of these loopholes, but they are not living on social security, I can assure my friend. They are probably living on some of these yachts in Florida which are a part of the business expense racket which my amendment would knock out of the law.

Mr. PROXMIRE. I should like to ask the Senator from Pennsylvania if there are any people working in the mines and factories of America who can take advantage of these loopholes.

Mr. CLARK. No; there are not.

Mr. PROXMIRE. Are there any people working as clerks in stores throughout America who can take advantage of these loopholes?

Mr. CLARK. No.

Mr. PROXMIRE. Is it not a fact that the overwhelming majority, let us say 95 percent, of the American people cannot take advantage of these loopholes?

Mr. CLARK. I think the Senator is ultraconservative in his estimate.

Mr. PROXMIRE. Let me simply conclude my colloquy by saying here we have a loophole that only a tiny proportion of the American people can take advantage of. Those are people whose salaries or incomes are high and who enjoy a privileged position in the country.

Mr. CLARK. The Senator should not forget that corporations take advantage of these loopholes and can have the Government pay, for them, 52 cents on each dollar the luxury expenditures they make to woo their customers.

Mr. PROXMIRE. That is right. The Treasury has known about it. It admits there are reprehensible practices. It uses very strong language. Yet it has not been able to correct those practices by administrative action or by any constructive proposal. Yet the Treasury is the principal opponent in having the will of the Senate prevail in conference.

Mr. CLARK. The Senator is correct.

I should like the Senator's attention while I read the first short paragraph of a letter I received on July 24, 1959, from Mr. David A. Lindsay, assistant to the Secretary of the Treasury, and now General Counsel of the Treasury. In view of what I am about to read, it is hard for me to understand how Mr. Glasmann, who has taken Mr. Lindsay's place as assistant to the Secretary, while Mr. Lindsay has been promoted to be Under Secretary of the Treasury, could take the position Mr. Glasmann has taken in the conference committee, because on that date, namely, July 24, 1959, Mr. Lindsay wrote me:

> MY DEAR SENATOR CLARK: Thank you for your letter of July 21 requesting comments on the revised version of the amendment you offered to H.R. 7523 to disallow entertainment and gift expenses.

Now, get this:

> The Commissioner has been giving high priority to an examination of proposals which, in the view of the Internal Revenue Service, should improve enforcement in this area.
>
> This inquiry includes administrative as well as legislative proposals. I am forwarding your letter to him today requesting his comments on your amendment.

I have never received those comments from the Treasury, although the letter I have just quoted was dated July 24, 1959.

Mr. President, I would like to know, and I want to watch my words very carefully, how that conduct by the Treasury can be justified. Perhaps some of our friends on the other side of the aisle who will read the RECORD in the morning will enlighten us before we vote.

Mr. President, I return now to the objections raised by the Treasury as stated by the Senator from Virginia [Mr. BYRD] in connection with the conference report.

First, they say it is difficult to devise a statutory definition distinguishing between gifts and entertainment on the one hand, and advertising on the other. Well, maybe it is. I did not ask them to. There was nothing in the amendment requiring them to. It is unexplicable to me why they feel it is necessary to make such a distinction. Why do they not write administrative regulations saying advertising is a proper business deduction and gifts and entertainment are not? It seems to me it is almost as simple as that.

They cite in support of that alleged difficulty two notorious cases. In one, a couple who owned a small dairy corporation went to Africa on a safari, ran up a bill of $18,000 for shooting wild animals in the jungles of Africa after traveling around Rome, Paris, and London, and the corporation wrote it off as a business expense and the Tax Court confirmed it as a proper tax deduction on the ground that it was an advertising expense, because they took some motion pictures, and they shot some zebras, and then came back and showed the motion pictures to some friends. They put the zebra heads up in the dairy office.

Well, Mr. President, that was an iniquitous decision. I deplore the result arrived at by the court. My amendment would not touch it. I have never said the amendment would stop all the abuse in the business expense swindle sheet racket.

Last year we had a provision in the amendment which would have knocked out certain deductions for foreign travel. So much objection was raised to that provision on the floor of the Senate that we did not try to put it in the amendment this year. The expenses of that safari would not be covered by my amendment. Nobody said it would be.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. LONG of Louisiana. The Senator knows I did not sign the conference report.

Mr. CLARK. I congratulate my friend for his great courage and his sound judgment.

Mr. LONG of Louisiana. The point was made by some of the Treasury representatives, which I believe included Mr. Lindsay as well as Mr. Glasmann, that these people in the case to which the Senator made reference actually brought zebra heads and one thing and another back home, as the Senator says, and used them to advertise their business. The people contended this brought some business to them.

Likewise, it was contended that the fantastic party which I believe Mike Todd gave in New York actually got for him far more publicity and notoriety than he could ever have purchased if he had bought advertising space all over the Nation.

I do not know exactly how to reach that problem. The contention is that a person can do something which would ordinarily be a personal expense or personal entertainment, but in so doing can achieve a lot of advertisement for his business, and perhaps even more than he would receive if he actually did the more conventional type of advertising.

I say, as one of the conferees, that was one point which confused the junior Senator from Louisiana.

Mr. CLARK. I wish to point out that this is entirely irrelevant to my amendment. I personally do not think that Mike Todd should have been permitted to get away with such conduct. I do not think the safari should have been allowed as a business deduction. However, all that has nothing to do with my amendment.

Mr. LONG of Louisiana. It is entirely possible an amendment could provide that this type of advertisement would not be deductible; in other words, that a safari or an enormous party in New York City would not be deductible even if it did achieve an advertising effect. It could be provided that a person could simply pay income taxes on the money used for such a party. If he thought the party was worth what it cost, he could use the money, accomplish that form of advertising, and pay the tax along with the money required for the party.

Mr. CLARK. I will say to my good friend from Louisiana, who is himself a lawyer, and a good one, who practiced before the Louisiana Federal courts for a good many years before coming to the Senate, that my friend from Louisiana knows perfectly well how to deal with tax matters. One must write general language into a statute. Then there must be written some administrative regulations. If a person wishes to obtain tax advice, the lawyer can consult the regulations and interpretations in the Prentice-Hall or the Commerce Clearinghouse tax services, so that he can advise a client as to what the client can or cannot deduct as a business expense. The law must be worked out through administrative holdings and through court holdings, until there is a body of law upon which conscientious lawyers can base their opinions, to advise their clients.

That has been done with respect to the income tax codes ever since 1913. It is simply not a proper criticism made in good faith to expect or to suggest that the general form of amendment should carry with it all the regulations which the Treasury should be developing. That is the way to cover the matter.

Mr. LONG of Louisiana. I will say to the Senator from Pennsylvania, as one member of the conference committee it seems to me that if the Treasury experts are to be permitted to sit with the conferees and to advise them—and to pretty well torpedo the amendment which the Senator offered in the Senate, to which the Senate agreed—it would only be fair for the Senator who offered the amendment to be given the opportunity to sit with the conferees and to similarly advise while the amendment was being torpedoed. The Senator did not have that opportunity, and I am sorry he did not.

Mr. CLARK. I thank my friend for his kind compliment. I am forced to say it is a little difficult to conduct unilateral negotiations with the Treasury Department. I can talk to them, but they will not talk to me. They do not even answer my letters.

Mr. President, I return to the second point.

Mr. PROXMIRE. Mr. President, I do not wish to interrupt the Senator too much, but will the Senator yield at this time?

Mr. CLARK. I yield.

Mr. PROXMIRE. I wish to emphasize what the distinguished Senator from Louisiana, a member of the conference committee, has said. I think it is enormously significant.

The Senator from Louisiana said what the Senator from Pennsylvania and I suspected but were not able to establish. A member of the conference committee has established the fact that the Treasury Department representatives were present and that the Treasury torpedoed the Senator's amendment, as the Senator from Louisiana put it. The Senator from Pennsylvania had no opportunity to reply.

It seems to me upon this kind of a basis it might be possible, even if the Senator from Pennsylvania were not present, to at least adjourn the conference committee to give the Senator from Pennsylvania an opportunity to reply in detail, and to give the Senator full knowledge as to exactly what were the objections, so that he would have an opportunity to give his response to the Treasury position.

Mr. CLARK. The conferees did not have to do that. They could have read the speech I made on Friday afternoon. The speech answered those questions. The conferees could have held up the conference report until they had had an opportunity to determine whether the points I made in that Friday speech were correct.

Even up to the present I have never had an answer to any of those points I made indicating that the objections of the Treasury Department are largely without substance.

Mr. PROXMIRE. I should like to make one other observation. Is it not true that the Senator from Pennsylvania did not submit the amendment on the basis of impulse, or of 1 week's or 2 weeks' study? This is an amendment which has been worked on for a period of years. As I recall, the Senator from Pennsylvania has considered this matter with the greatest of care for 4 years. The Senator has met the objections which were offered to the amendment previously. Although it is general language to be interpreted, as the Senator from Pennsylvania so well brought out, by regulations, or at least to be administered upon the basis of that——

Mr. CLARK. To be amplified by regulations.

Mr. PROXMIRE. To be amplified by regulations, this was the most careful development of an amendment which the Senator from Pennsylvania could provide.

I wish to say—and I know the Senator from Pennsylvania does not wish to say it—I think there are few Members of the Senate who are more able, who have a deeper understanding and a

greater appreciation of the tax laws, or who have more competent staffs than the Senator from Pennsylvania. The Senator from Pennsylvania has given this matter great thought and great study. He has done all that any Senator could possibly do to meet all objections raised. He has spent a great deal of time in developing the amendment.

I noticed in the RECORD that the Senator from New York suggested the amendment should be chiseled out, or that it should be more finely sculptured. I do not know how anyone could have gone to greater pains or greater lengths to work out general language than the Senator from Pennsylvania. It is not as though one had to dot every "i" or to cross every "t." The regulations establish the fact that one cannot write everything into the law. No one expects the law to contain every point.

Mr. CLARK. I thank my friend from Wisconsin for his compliment. I say again, as I said to the Senator from New York [Mr. JAVITS] the other day, there comes a time when the sculptor has to put down his chisel and say, "The statue is finished." That time has come.

We have worked on this amendment year after year after year. We had more than the assistance of my own able staff.

I wish to pay particular tribute to Mr. Benjamin Read, my legislative assistant, who is sitting with me in the Chamber. He comes from the fine Pennsylvania law office of Duane, Morris & Heckscher. He is as good a "Philadelphia lawyer" of his age as anybody I know.

In addition, we have had the assistance of the very able staff of the Senate legislative counsel. We have discussed this matter with the joint committee.

I do not wish to get the employees into any trouble, but I repeat what I said before, that certain very able individuals from the Treasury Department were so shocked by the attitude of their superiors toward the amendment that we received some enormous and off-the-record help from them. I certainly hope they will not lose their jobs as a result of this comment upon my part. I hope the Treasury Department will not be able to identify them.

Mr. President, I return to a consideration of the second irrelevant case which the Treasury Department raised in connection with the alleged difficulty in devising a statutory definition as between gifts and entertainment on the one hand and advertising on the other.

The Treasury pointed out the notorious and well-known Tax Court case in which the controlling stockholder in a closely held corporation was allowed to deduct as a business expense the cost of maintaining racehorses and Russian wolfhounds. Such activity was said to be an advertising expense and not a hobby of the controlling stockholder. That is a pretty shocking case. I think the decision was very clearly wrong as it is read. But again I say what has that to do with my amendment? No one could conclude that maintaining Russian wolfhounds and race horses for one's own pleasure was an entertainment expense. Nobody could contend it was a gift. Nobody thinks it is a payment of dues to a social or an athletic club. Why must they drag that one in by the heels? What has that to do with the ball game?

I suggest that this kind of tactic on the part of the Treasury Department does not do it much credit.

The next objection raised by the Treasury Department was that it is extremely difficult to tell just what is a gift, and since it is so hard to tell just what is a gift, we had better not have any amendment forbidding deductions for gifts. The Department referred to three recent Supreme Court decisions in which taxpayers successfully argued that certain payments they had received were gifts, not taxable as part of their income, although the Treasury had maintained that the payments constituted taxable income.

What do these cases have to do with my amendment which prohibits deductions on the part of the donor, of certain gift expenses? It seems to me this is another complete nonsequitur.

Those Supreme Court cases really do not meet the issue posed by my amendment at all, because each one of them was decided on the basis of whether the donee—the person who got the alleged gift—had to include the amount of the gift or its fair value as income, and he contended that he did not because it was a gift. The Government contended that he did, because actually it was money received in consideration for services rendered. These cases have nothing whatever to do with what is a proper deduction of a gift in connection with the income tax return of the donor, the giver, be it a corporation or an individual.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks brief summaries of the three Supreme Court cases to which I have referred.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

U.S. AGAINST KAISER, NO. 55, OCTOBER TERM, 1959

The UAW gave Kaiser a food voucher for $6 a week and $9 for weekly room rent for his participation in the strike against the Kholer Co. in Sheboygan, Wis. Kaiser was not a member of the UAW but he went out on strike with the UAW members, and he joined the union shortly after he began to receive benefits. The issue in the case was whether Kaiser had to report as income the sums received for strike assistance from the UAW.

The Court held (6–3) that Kaiser did not have to report the strike assistance receipts as income because they constituted "gifts" within the meaning of section 102(a) of the code.

COMMISSIONER AGAINST DUBERSTEIN, NO. 376, OCTOBER TERM, 1959

Duberstein was president of an Ohio corporation which had done business for some years with the Mohawk Metal Corp. and its president, Mr. Berman. Duberstein and Berman transacted their business by phone and Duberstein stated at the trial that he had known Berman "personally" for over 7 years. Berman frequently asked Duberstein whether the latter knew of potential customers for Mohawk's products and Duberstein provided the names of potential customers on a number of occasions. In 1951 Berman telephoned Duberstein and said that the information Duberstein had given him had proved so helpful that he wanted to give Duberstein a Cadillac, and Duberstein accepted the car.

The Court held (7–2) that the car constituted taxable income to Duberstein for services rendered, not excluded under section 102(a) of the code.

STANTON AGAINST U.S., NO. 546, OCTOBER TERM, 1959

Stanton was employed as the comptroller of the Trinity Church in New York City and as president of the church corporation which managed the church's real estate; his salary was $22,500 a year. When he resigned in 1942 after 10 years' service, the church operating company's board of directors resolved "in appreciation of services rendered by Mr. Stanton" to give him a "gratuity * * * of $20,000." The district court made a finding that the payment was a "gift" under section 102(a) of the code and not taxable income to the taxpayer. The court of appeals reversed the lower court.

The Court held (5–4) that the case should be returned to the district court for further determination as to whether or not the "gratuity" constituted taxable income or gift.

Mr. CLARK. I suggest to my colleagues that even a cursory examination of these decisions will show that they have nothing whatever to do with my amendment.

I have already commented on the incredible statement of the representatives of the Treasury Department that they have had only a short time in which to study this proposal. They cannot be too sure that results will not ensue which they would consider deplorable.

I raise the question as to what they are afraid of. I can only come to the conclusion that they must be afraid that some part of the swindle-sheet racket might be knocked out by the proposed amendment. This is the kind of rather captious objection to the amendment which the Treasury makes. It says that because of this amendment gifts to widows of faithful employees, if they amounted to more than $10, would not be deductible. To that objection, I reply, "If this shocks your conscience, Mr. Glasmann, why do you not propose a change in my amendment that would permit a corporation to make Uncle Sam pay 52 cents out of every dollar of a gift that it makes to widows?" I wonder a little why Uncle Sam should pay for more than half the cost of such gifts. If the widow of the deceased employee happened to be the employee of a man of great wealth, one who was in the 91 percent tax bracket, then Uncle Sam would pay not 52 cents on every dollar of the gift, but 91.

It occurs to me that should the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Louisiana [Mr. LONG], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from West Virginia [Mr. BYRD], out of the goodness of their hearts wish to make a gift to the widow of some old family retainer—assuming we are rich enough to have some old family retainers, as probably not

many of us are—we would not expect Uncle Sam to pay a large share of that gift. We make the gift because we were fond of the employee, and we think the widow ought to be compensated.

As a practical matter, most gifts made to deceased employees are on a contractual basis anyway, as a part of some kind of survivorship benefit which has been worked out as a part of a pension plan in advance. Such payments are now deductible and they would continue to be deductible under my amendment. So I suggest that this objection of the Treasury Department is entirely frivolous and without merit.

Representatives of the Treasury Department make the extraordinary suggestion that scholarships and fellowships to employees may not be deductible by employers if the scholarship or the fellowship is worth more than $10, because that would be a "gift."

I say to Mr. Glasmann, and I say to the lawyers of the Treasury Department, "Why do you not go back and look up some law before you make statements of that kind?"

I ask them again to come in and tell the Senate tomorrow morning whether it is not true that a payment to send an employee to a business or vocational school where he goes to improve his value to the company or the individual for whom he works is clearly deductible under present law and would clearly be deductible after my amendment. It is just as clear as the nose on one's face.

I do not think one could find a really competent lawyer who would be prepared to argue that a scholarship or a fellowship could be treated as a gift if it were made to an employee for the purpose of going to college to improve himself so he could be more valuable to the company when he came back.

Finally, I wish to commend my colleagues for their patience in listening so carefully through all of my statement. The representative of the Treasury Department says, "Let us postpone this amendment for another year. Let us make a study—for example—let us put it off until the next administration comes in."

Meanwhile, the Treasury Department asserts that its new regulations requiring more information about expense account spending to be submitted on returns will end the widespread abuses generally known to exist.

Honestly, whom do they think they are kidding? Do they not know that we know that there are now 600 million information returns which come in every year, the overwhelming majority of which go straight to dead storage somewhere out in St. Louis, where nobody ever looks at them at all because the Internal Revenue Service does not have the staff or the personnel to do so?

Do they not know that we know that most of the information which they request will not be looked at by anyone at all? And that only 3 percent of the returns filed will be audited? What causes them to think that by getting much more information they will be able to tell us next year whether they need more legislation to break up the swindle sheet racket?

Mr. President, I conclude as I began. The attitude of the Treasury is fiscally irresponsible. Their objections to my amendment are largely frivolous. I hope the Senate will reject the conference report tomorrow and that before we adjourn we will be able to pass a bill which will close these loopholes.

PAYMENT OF ANNUITIES AND RETIRED PAY TO OFFICERS AND EMPLOYEES OF THE UNITED STATES

Mr. CLARK. Mr. President, on May 12, 1960, the Senate debated the bill (H.R. 4601) to amend the act of September 1, 1954, to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States. During that debate the senior Senator from Delaware [Mr. WILLIAMS] cited 17 cases in which he charged that the bill under consideration would restore retirement benefits unwisely. Largely because of the allegations made by the Senator, the Senate voted to recommit H.R. 4601 to the Post Office and Civil Service Committee for further consideration.

The committee asked all interested executive agencies to reconsider their views on the bill and resubmit views on the measure in the light of Senator WILLIAMS' charges and all other pertinent information.

The Civil Service Commission, the Bureau of the Budget, the Comptroller General of the United States, the Postmaster General, and the Department of Defense all reconsidered the bill and reported to the committee that they favored its enactment without amendment. Accordingly, the committee voted unanimously to report the bill and that report was filed as Senate Report No. 1544 on June 10, 1960.

I hope it will be called up for determination before we adjourn.

Subsequently the Civil Service Commission supplied me with memoranda discussing 16 of the 17 cases discussed by Senator WILLIAMS; a memorandum on the other case will be submitted shortly.

These memorandums show that six of the cases discussed by Senator WILLIAMS are irrelevant to a discussion of the bill, either because the bill would not restore benefits or because benefits have already been restored by court or administrative action. In the other cases the Commission has indicated why it believes that retirement benefits should be restored. I ask unanimous consent that the 16 memoranda prepared by the Civil Service Commission be placed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CASE NO. 1: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 38; EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference: Middle, column 2, page 9430; bottom, column 1, page 9432; bottom, column 3, page 9433; bottom, column 1, page 9439: "This man was an internal revenue agent. He was under investigation in connection with charges of accepting bribes for fixing cases for taxpayers. * * * He was subpenaed to appear before a Federal grand jury in the Southern District of New York. He refused to answer questions in the case in regard to his Government service on the ground that it might involve matters of self-incrimination. In other words he 'took the fifth amendment.' Under the present law that man is not entitled to retirement benefits. If the bill is passed he will be."

CASE HISTORY

Last position: Agent, Internal Revenue Service.

Annuity denied: $292 per month; $13,084 accrued to April 30, 1959; total value, $39,000.

Federal service, 32 years 3 months: U.S. Army (military), October 3, 1918, to December 7, 1918; Internal Revenue Service, February 17, 1923, to March 31, 1955.

Offense: In connection with alleged acceptance of bribes by Internal Revenue agents, individual was subpenaed to testify before a Federal grand jury, Southern District of New York. Upon appearance April 25, 1955, he refused to answer questions regarding his Government service on the ground of self-incrimination.

Status of annuity (restored retroactively to April 1, 1955, on December 1, 1959): Annuity originally denied under section 2(a), Public Law 83–769.

However, following the precedent set in the case of *Steinberg* v. *U.S.*, decided July 16, 1958, holding section 2(a) of Public Law 83–769 to be unconstitutional, the U.S. Court of Claims gave judgment February 19, 1960, granting annuity in this case.

Annuity allowed by CSC: $292 per month effective from December 1, 1959. Annuity covering period April 1, 1955, to November 30, 1959, is to be paid under the terms of the Court of Claims judgment.

CASE NO. 3: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 41; EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference: Top, column 1, page 9432: Case of postmaster, charged with falsification of records and embezzlement of postal funds, who was suspended from office and separated from service January 6, 1955. Conviction, with 3-year suspended sentence followed. "If this bill passes he will be eligible to receive retirement benefits of $120 a month. He would also receive a retroactive payment of $3,220."

CASE HISTORY

Last position: Postmaster, Post Office Department.

Annuity denied: $120 per month, $3,220 accrued to April 30, 1959; total value, $15,000.

Federal service 21 years, 9 months: U.S. Army (military), May 3, 1918, to June 19, 1919; Post Office Department, May 3, 1934 to January 6, 1955.

Convicted March 28, 1955, of falsification of post office records, apparently in violation of 18 U.S.C. 2073, "False entries and reports of moneys and securities." (Record incomplete.)

Maximum penalty specified by law: 18 U.S.C. 2073 imposes a fine of not more than $5,000, imprisonment for not more than 10 years, or both.

Penalty imposed by the court: Sentence (imprisonment for 3 years) suspended and defendant placed on active probation for period of 3 years.

COMMENT

Based on the evidence the court imposed a sentence well below the 10-year maximum permissible under the criminal statute, and moreover, apparently found mitigating circumstances warranting suspension of the sentence and the granting of probation in lieu of actual imprisonment. It is not believed that an additional penalty—denial of annuity—should be imposed by a civil statute.

CASE NO. 4: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 140: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference: Middle, column 2, page 9432; top, column 1, page 9437; middle, column 3, page 9439: Case of clothing inspector, Quartermaster Corps, Army, charged with solicitation and acceptance of bribe in violation of 18 U.S.C. 202, who was removed from office, convicted, and sentenced to 3 years in prison. "He would be eligible for retirement at $95 a month, and he would get a total of $1,457 in retroactive payment. * * * Remember, this man was convicted of solicitation and acceptance of a bribe in connection with his official duties. * * * Surely we are not going to put that man back and say that nothing was wrong. * * * Surely that is not the purpose of the Senator from Pennsylvania."

CASE HISTORY

Last position: Clothing inspector, Army, Quartermaster Corps.

Annuity denied: $95 per month, $1,457 accrued to April 30, 1959; total value, $13,000.

Federal service, 15 years, 6 months: U.S. Army (military), August 28, 1918, to June 3, 1919; Post Office Department, October 3, 1935, to May 7, 1947; Army, Quartermaster Corps, September 6, 1938, to February 18, 1939; Army, Quartermaster Corps, June 28, 1939, to September 19, 1939; Army, Quartermaster Corps, December 8, 1939, to November 14, 1952 (last paid June 8, 1951).

Convicted September 21, 1951, as charged, of "asking and receiving a certain sum of money * * * with intent to have influenced thereby his decision and action on a question, matter, cause, and proceeding which was at that time pending and which might at any time and which might by law be brought before him in his official capacity," in violation of 18 U.S.C. 202.

Maximum penalty specified by law: A fine of not more than three times the amount of the bribe, imprisonment for not more than 3 years, or both. Automatic disqualification from holding an office of trust or profit under the United States.

Penalty imposed by the court: $500 fine and 3 years' imprisonment. (Automatic statutory removal from Federal position ensued.)

COMMENT

Based on the evidence, the court apparently concluded that imposition of a fine and the maximum prison sentence was warranted. The civil statute, however, materially enlarges this penalty prescribed and intended in the criminal statute.

In so doing, the civil statute runs counter to the American legal concept, designed to afford equal justice—that crimes and penalties for their commission be defined and established solely through the criminal statutes.

CASE NO. 5: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 111: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference: Middle, column 1, page 9433; top, column 1, page 9434:

"We had another Government official appear before the Senate Permanent Subcommittee on Investigations; and there he 'took the fifth amendment' when he was asked questions about charges involving his official duties.

"The bill would put that man back on the retirement rolls of the American taxpayers, at $234 a month; and, in addition, he would be given a check for $5,616 covering retroactive retirement benefits."

Last position: Clothing inspector, Department of the Army.

Annuity denied: $234 per month, $5,616 accrued to April 30, 1959; total value, $39,000.

Federal service, 30 years 4 months: U.S. Army (military), July 25, 1917, to October 7, 1919; Department of the Army, October 22, 1928, to December 31, 1956.

Offense: On May 1, 1957—before the Senate Permanent Subcommittee on Investigations—this individual refused, on the ground of self-incrimination, to answer questions with respect to his Government service.

Status of annuity (restored retroactively to May 1, 1957, on March 11, 1960): Annuity of $234 per month, commencing January 1, 1957, originally awarded April 12, 1957, discontinued April 30, 1957, upon notification of refusal to testify.

Initial CSC holding was that annuity from and after May 1, 1957, was denied by section 2(a), Public Law 83–769.

However, based on Court of Claims decision, July 16, 1958, in *Steinberg* v. *U.S.*, that section 2(a) of Public Law 83–679 is unconstitutional (which precedent was followed by the Court in *DeMayo* v. *U.S.*, decided July 10, 1959, and *Smith* v. *U.S.*, decided February 19, 1960), Civil Service Commission determined, after a full reappraisal of all evidence, that the original action of denial could not be sustained and restoration of annuity, dating from May 1, 1957, was approved March 11, 1960.

CASE NO. 6: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 112: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, bottom, column 1, and top, column 2, page 9433: "* * * Then we have the case of a man charged with the embezzlement of funds from the mails. He was convicted. If the bill passes, we would give back pay to this man of $2,121 in retroactive payments plus $94 per month. I do not know how much he embezzled, but embezzlement of funds from the mails is a serious crime. * * * We have no right to say to the taxpayers that they must continue to pay a person who betrayed their confidence as a public servant."

CASE HISTORY

Last position: Post office clerk, Post Office Department.

Annuity denied: $94 per month, $2,121 accrued to April 30, 1959; total value, $12,000.

Federal service, 24 years 5 months: U.S. Army (military), from July 1, 1916, to January 5, 1917; U.S. Army (military), from June 3, 1917, to ——; Post Office Department, July 6, 1923, to October 18, 1945; last day of pay July 15, 1945.

Convicted September 19, 1945, as charged, with embezzlement of mails in violation of then section 318 (now 1709) of title 18, United States Code.

Maximum penalty specified by law: 18 U.S.C. 318 (now 1709) provided for a fine of not more than $500 or imprisonment of not more than 5 years, or both.

Penalty imposed by the court: Two years imprisonment.

COMMENT

Based on the evidence, the court apparently felt that this was a case where judicial discretion could be exercised and imposition of less than the maximum penalty called for by the criminal statute was justified. It is believed that an additional penalty—denial of annuity—should not be imposed by civil statute.

(NOTE.—We have just learned from Federal Records Center, St. Louis, Mo., that their files indicate this individual has been reemployed in the Federal service, with Veterans' Administration, Wadsworth, Kans., effective Dec. 1, 1959.)

CASE NO. 6—EXHIBIT 4

Supplemental items requested: (1) Correct ending date, second military service period; (2) amount embezzled.

1. Second period of military service ended May 7, 1919. (Typo error.)

2. Retirement file contains no report of amount embezzled by this former postal clerk. Report of offense and conviction from Post Office Department stated: "Charges were preferred * * * by post office inspectors on July 14, 1945, for embezzlement of three first-class letters on July 13, 1945. * * * The employee was further charged with opening and resealing at least six additional first-class letters on the same date, searching for money therein.

"In addition, it was charged that, during the past 3 to 5 years, while employed as a clerk * * * he had rifled and embezzled several hundred first-class letters.

* * * * *

"Our records show [he] pled guilty to the embezzlement of mail in violation of title 18, United States Code, section 318. He was sentenced on September 19, 1945."

(NOTE.—A representative of the General Accounting Office has been assigned to assist the committee staff in gathering data on Public Law 769 cases not available in the retirement files. The GAO representative plans to examine Post Office Department's disciplinary files in certain cases. No doubt Mr. Kerlin would arrange that such examination include a check of the postal file in this case for the amount embezzled or misappropriated if desired.)

CASE NO. 7: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 52: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, middle, column 2, page 9433; top, column 1, page 9434: "* * * another internal revenue agent. This one appeared likewise before the grand jury of the southern district of New York and refused to testify with respect to acts performed by him in his official capacity on the ground of self-incrimination. * * * Does it make any sense to tell the American taxpayers that we are going to give a pension to a public official who comes before a grand jury and refuses to testify by taking the fifth amendment?"

Last position: agent, Internal Revenue Service.

Annuity denied: $297 per month, $15,038 accrued to April 30, 1959; total value, $36,000.

Federal service, 30 years, 3 months: Treasury, Internal Revenue Service, November 30, 1920, to February 28, 1951.

Offense: Was subpenaed and appeared, September 2, 1954, before a Federal Grand Jury sitting in the southern district of New York investigating into the operations of the Internal Revenue Service.

Refused, on the ground of self-incrimination, to testify with respect to acts performed in his official capacity while a Federal employee.

Status of annuity (restored retroactively to August 1, 1955 on January 1, 1959): Annuity commencing March 1, 1951, awarded March 21, 1951, was discontinued July 31, 1955, and held subject to denial from and after September 1, 1954, under section 2(a) of Public Law 83–769. Recovery of annuity paid over period September 1, 1954, to July 31, 1955, was attempted but not accomplished.

Suit was brought in the U.S. Court of Claims against the United States to secure the annuity denied. Court in decision dated July 16, 1958 (Court of Claims No. 74–57) held that "Congress in prescribing a punishment for persons who exercised a constitutional right has acted beyond the scope of the Constitution. * * * Section 2 (a) of Public Law 769 * * * must not stand as a bar to plaintiff's annuity."

Civil Service Commission restored individual to the annuity roll (at $297 per month) effective January 1, 1959. Amount due for period August 1, 1955 to December 31, 1958, reduced to Court of Claims money judgment, such judgment to be satisfied

through General Accounting Office procedures.

CASE NO. 8: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 36: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, bottom, column 2, page 9432: "* * * Here is one who would get $5,566. * * *"

CASE HISTORY

Last position: Post office clerk, Post Office Department.

Annuity denied: $107 per month, $5,566 accrued to April 30, 1959; total value, $13,000.

Federal service, 25 years 10 months: U.S. Army (military), April 1, 1918, to April 30, 1919.

Post Office Department, April 7, 1920, to September 21, 1944.

Convicted on September 6, 1944, for misappropriation of postal funds in violation of 18 U.S.C. 355 (recodified 1711).

Maximum penalty specified by law: 18 U.S.C. 355 (now 1711) provides for a fine in a sum equal to the amount or value of the money or property embezzled or imprisonment of not more than 10 years, or both. If the amount or value does not exceed $100 a fine of not more than $1,000 or imprisonment of not more than 1 year or both may be imposed. (Revised 1711 added smaller punishment.)

Penalty imposed by the court: No fine. Prison sentence suspended and defendant placed on probation for 1 year.

COMMENT

Despite the severity of the penalties possible under the criminal statute (which imposes a penalty of a fine and/or imprisonment up to 10 years) the court, based on the evidence, further minimized the penalty by deferring sentence and placing the defendant on probation for a period of 1 year. It is not believed that an aditional penalty—denial of annuity—should be imposed by civil statute.

CASE NO. 8: EXHIBIT 4

Supplemental item requested: Amount embezzled.

Retirement file contains no report of amount embezzled by former postal clerk. Report of offense and conviction from Post Office Department states only that he "was indicted * * * September 6, 1944, for violation of title 18, United States Code, section 355 (now 1711). He was sentenced * * * September 12, 1944, on a plea of guilty."

The offense covered by 18 U.S.C. 355 is that of misappropriating postal funds.

(NOTE.—A representative of the General Accounting Office has been assigned to assist the committee staff in gathering data on Public Law 769 cases not available in the retirement files. The GAO representative plans to examine Post Office Department's disciplinary files in certain cases. No doubt Mr. Kerlin would arrange that such examination include a check of the postal file in this case for the amount embezzled or misappropriated if desired.)

(ERRATUM.—Correct ending date of military service to August 30, 1919. April 30, 1919, shown was typo error.)

CASE NO. 9: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 37: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, bottom, column 2, page 9432: "Here is one who * * * would get $4,840."

CASE HISTORY

Last position: Postmaster, Post Office Department.

Annuity denied: $112 per month, $4,840 accrued to April 30, 1959; total value, $13,000.

Federal service, 16 years, 5 months: U.S. Army (military), May 25, 1918, to May 3, 1919; Post Office Department, July 1, 1936, to January 20, 1952.

Convicted March 17, 1952, of violation of 18 U.S.C. 1711, "Misappropriation of postal funds." (Embezzlement.)

Maximum penalty specified by law: 18 U.S.C. 1711 imposed a fine equal to the amount embezzled ($1,000 fine if $100 or less embezzled), imprisonment of not more than 10 years, or both.

Penalty imposed by the court: No fine, sentence of 1 year's probation.

COMMENT

Despite the severe penalties possible under the criminal statute (a fine and/or imprisonment up to 10 years), the court on weighing all the evidence imposed only a sentence of 1 year's probation. It is not believed that an additional penalty—denial of annuity worth $13,000—should be imposed by civil statute.

CASE NO. 9: EXHIBIT 4

Supplemental item requested: Amount embezzled.

Retirement file contains no statement of the amount embezzled by this former postmaster. Report of offense and conviction from Post Office Department states that he "was arrested on March 10, 1952, waived indictment, and pleaded guilty to the charge of violation of title 18, United States Code, section 1711. On March 17, 1952, the defendant was sentenced to one year's probation."

The offense covered by 18 U.S.C. 1711 is misappropriation of postal funds.

(NOTE.—A representative of the General Accounting Office has been assigned to assist the committee staff in gathering data on Public Law 769 cases not available in the retirement files. The GAO representative plans to examine Post Office Department's disciplinary files in certain cases. No doubt Mr. Kerlin would arrange that such examination include a check of the postal file in this case for the amount embezzled or misappropriated if desired.)

CASE NO. 10: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 42: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference—bottom, column 2, page 9432: "* * * another $4,992."

CASE HISTORY

Last position: Assistant postmaster, Post Office Department.

Annuity denied: $106 per month, $4,992 accrued to April 30, 1959; total value, $12,000.

Federal service, 25 years, 5 months: Post Office Department, August 1, 1911, to August 31, 1911; Post Office Department, April 1, 1912, to February 28, 1919; Post Office Department, March 22, 1924, to April 16, 1936; Post Office Department, January 16, 1937, to May 22, 1943.

Convicted July 29, 1943, of conspiracy to embezzle Government funds in violation of 18 U.S.C., 1940 ed. 88 (now 371), "Conspiracy to commit offense against United States."

Maximum penalty specified by law: Fine of not more than $10,000 or imprisonment of not more than 5 years, or both.

Penalty imposed by the Court: Five months' imprisonment.

COMMENT

Based on the evidence, the court imposed a sentence well below the maximum permitted by the criminal statute. It is not believed that an additional penalty—denial of annuity valued at $12,000—should be imposed by a civil statute.

CASE NO. 10: EXHIBIT 4

Supplemental item requested: Added details on nature of and number of persons involved in conspiracy.

Indictment charged that this assistant postmaster and a postal clerk conspired in October 1942 to convert postal funds to their own use. Between October 1, 1942, and February 15, 1943, they carried out a plan of (1) not affixing and canceling postage-due stamps to letter-mail of a charitable organization, (2) falsifying records to indicate that postage-due stamps had been used and canceled, and (3) withdrawing from an advance deposit of funds for postage-due stamps sums to match the false entries and converting such sums to their own use. The amount charged to have been thus converted was $646.09.

CASE NO. 11: EXHIBIT 4 (17-CASE SUMMARY)—CASE NO. 43: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, bottom, column 2, page 9432: "Here is one who would get * * * $4,435."

CASE HISTORY

Last position: Motor vehicle inspector, District of Columbia government.

Annuity denied: $88 per month, $4,435 accrued to April 30, 1959; total value, $10,300.

Federal service: 14 years 6 months: U.S. Army (military), May 20, 1918, to May 31, 1919; Department of Commerce, June 4, 1919, to June 13, 1920; District of Columbia government, April 15, 1939, to September 25, 1951.

Convicted April 24, 1952, of corruptly receiving a bribe ($5) to influence his decision in the matter of approving or disapproving an auto for operation, in violation of 22 D.C. Code 701 and 704.

Maximum penalty specified by law: 22 D.C. Code 701 imposes a fine of not more than $500, imprisonment for not more than 3 years, or both; 22 D.C. Code 704 imposes a penalty of imprisonment for a term of not less than 6 months nor more than 5 years.

Penalty imposed by the court: Sentence (6 to 18 months) suspended; placed on probation for a period of 2 years.

COMMENT

After weighing the evidence, the court imposed a sentence well below the 3-year and 5-year maximum permissible under the criminal statutes, and, moreover, apparently found mitigating circumstances warranting suspension of sentence and the granting of probation in lieu of actual imprisonment. It is not believed that an additional penalty—denial of annuity worth $10,300—should be imposed by a civil statute.

CASE NO. 12: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 45: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, bottom, column 2, page 9432: "Here are some of the retroactive amounts (as of April 30, 1959), that will be paid under this bill. * * * $10,274. * * * Those are retroactive payments in addition to putting the individuals on a lifetime pension from here on out."

Last position: Clerk, Post Office Department.

Annuity denied: $197 per month, $10,274 accrued to April 30, 1959; total value, $24,900.

Federal service, 30 years, 1 month: U.S. Army (military), October 3, 1917, to January 18, 1919; Post Office Department, September 8, 1925, to July 31, 1954.

Offense: In an application filed with the Post Office Department May 11, 1954, and in subsequent proceedings before the Post Office Department Loyalty Board, individual denied membership in the Communist Party or any organization which advocates the overthrow of the Government of the United States by force or violence. Investigation established, and individual later admitted, past Communist Party membership; revealing his denial to have been false.

Status of annuity (would continue to be denied): Annuity originally and currently denied under section 2(b) of Public Law 83–769.

Section 1 of H.R. 4601 as it amends section 2(b) of Public Law 83–679 would continue the denial of annuity in this case.

CASE NO. 13: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 35: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, middle, column 1, page 9434; top, column 2, page 9436; middle, column 3, page 9438; top, column 1, page 9439. "One man who was working for the U.S. Government executed, on standard form 84, an affidavit, at the request of his employer; and in the affidavit he concealed his past or his present membership in the Communist Party. Later he admitted he was a member of the Communist Party. He was removed from office. This bill would give him $7,715 in retroactive retirement benefits, and he would draw a monthly check of $153 for the rest of his life."

Last position: Clerk, Post Office Department.

Annuity denied: $153 per month, $7,715 accrued to April 30, 1959; total value, $17,000.

Federal service, 25 years, 9 months; U.S. Army (military), December 15, 1917, to February 2, 1918; U.S. Army (military), October 30, 1918, to May 10, 1919; Post Office Department, May 24, 1925, to September 13, 1950.

Offense: On July 22, 1941, individual executed and filed with the Post Office Department an affidavit (SF 84) stating that he did not advocate overthrow of the Government of the United States by force or violence and that he was not a member of the Communist Party or any organization which advocated such overthrow of the Government. At hearing before the Post Office Department Loyalty Board on September 15, 1949, and at a July 27, 1950, hearing before the CSC Loyalty Review Board, he reiterated these denials.

Investigation established denials of Communist Party membership to have been false. At a third hearing held August 10, 1950, individual admitted he had been a member of the Communist Party since approximately 1936 or 1937.

Status of annuity (would continue to be denied): Annuity originally and currently denied under section 2(b) of Public Law 83–769.

Section 1 of H.R. 4601 as it amends section 2(b) of Public Law 83–769 would continue the denial of annuity in this case.

CASE NO. 14: EXHIBIT 4 (17 CASE SUMMARY—CASE NO. 103: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, middle, column 2, page 9434 and bottom, column 1, page 9439: " * * * For instance, one Treasury agent willfully made fraudulent statements in connection with a report he filed with the Department. He was convicted and sentenced to imprisonment for a year and fined $1,000. He received a suspended sentence."

CASE HISTORY

Last position: Internal revenue agent, Treasury Department.

Annuity denied: $316 per month, $17,822 accrued to April 30, 1958; total value, $43,000.

Federal service, 33 years, 3 months: Internal Revenue Service, Treasury Department, October 30, 1920; to January 15, 1954.

Convicted September 27, 1956, of making a false statement in violation of 18 U.S.C. 1001. (Understated net worth in I.R. Form 1361 "Financial Statement of Employee.")

Maximum penalty specified by law: 18 U.S.C. 1001 imposes a fine of not more than $10,000 or imprisonment of not more than 5 years or both.

Penalty imposed by the court: Prison sentence suspended and defendant was placed on probation for a period of 1 year and fined $1,000.

COMMENT

The court imposed a penalty well below the maximum permissible under the criminal statute, a fine of $1,000 instead of $10,000 and 1 year of probation instead of the maximum 5-year imprisonment. It is not believed that an additional penalty—denial of annuity worth $43,000, 43 times the amount of the fine imposed by the court—should be exacted by civil statute.

CASE NO. 14: EXHIBIT 4

Supplemental items requested: (1) Amount agent understated his net worth; (2) purpose of form 1361.

1. The indictment charged false statement by filing "Form 1361, 'Financial Statement of Employee' in which he stated that his net worth was $41,880.20 as of October 31, 1951, whereas he then and there well knew his real net worth was $64,790.50, in violation of 18 U.S.C. 1001." Based on these figures, the amount by which the agent understated his net worth was $22,910.30.

Investigator's report indicated that a large portion of the difference in the stated and actual net worth was represented by the value of securities owned by the former agent. Claimed value of securities was $8,900.50 as of October 31, 1951; the actual number and value of securities owned, ascertained by IRS as of December 31, 1951, was $27,390.50, of which only $54.51 was purchased in the months of November and December 1951.

2. Form 1361 was a statement all agents of the Internal Revenue Service were required to file in compliance with Commissioner of Internal Revenue Mimeograph No. 6701, dated October 19, 1951 (RA No. 1864), aimed at obtaining a full account of the private financial status of Internal Revenue enforcement personnel.

CASE NO. 15: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 75: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, middle, column 3, page 9435; bottom, column 3, page 9436: "This particular gentleman was charged with forgery of U.S. Treasury checks in violation of title 18, section 495, of the United States Code. He was charged with forgery and convicted in court; he was sentenced to 1 year in the custody of the Attorney General. * * * If this bill is passed he will be eligible for $169 a month in retirement benefits from here on out, and he will retroactively receive a payment of $5,833. Surely that was not intended by the Senate committee. * * * This man is a convicted forger, a man convicted of forging Treasury checks. Surely, the Senator from Pennsylvania does not want to put such a man back on the Federal payroll."

CASE HISTORY

Last position: Carrier, Post Office Department.

Annuity denied: $169 per month, $5,833 accrued to April 30, 1959; total value, $21,200.

Federal service, 26 years, 5 months: U.S. Army (military), August 4, 1918, to December 6, 1918; Post Office Department, May 1, 1927, to June 5, 1953 (last paid April 1953).

Convicted May 5, 1953, of forging and cashing two U.S. Treasury checks (in amounts of $161 and $48.20) in violation of 18 U.S.C. 495.

Maximum penalty prescribed by law: 18 U.S.C. 495 imposes a fine of not more than $1,000, imprisonment for not more than 10 years, or both.

Penalty imposed by the court: No fine or imprisonment; sentenced to serve 1 year in the custody of the Attorney General.

COMMENT

Under a criminal statute prescribing a possible punishment of $1,000 fine and up to 10 years' imprisonment, the court, after weighing all the evidence, imposed neither a fine nor a prison sentence, and remanded the defendant to the custody of the Attorney General for a 1-year period. It is not believed that an additional penalty—denial of annuity worth $21,200, many times the amount of the fine which could have been imposed—should be exacted by a civil statute.

CASE NO. 15: EXHIBIT 4

Supplemental item requested: Nature of forgery.

Report of offense and conviction from Post Office Department states this former carrier removed two U.S. Treasury checks from the mails (in amounts of $161 and $48.20), forged endorsements upon them and cashed them. Prosecution for mail theft was not undertaken, indictment and conviction being had on forgery only.

CASE NO. 16: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO 33: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, bottom, column 3, page 9438: "* * * the Senator will observe No. 382,083. This man will get $164 per month, and his accrued annuity amounts to $10,798."

Last position: Clerk, Post Office Department.

Annuity denied: $164 per month, $10,798 accrued to April 30, 1959; total value, $21,000.

Federal service, 27 years, 10 months: U.S. Army (military), June 27, 1918, to May 22, 1919; Post Office Department, July 2, 1923, to August 14, 1950.

Offense: In an affidavit filed with Post Office Department November 29, 1948, in connection with his tenure of postal employment, and at a hearing before the Loyalty Review Board December 16, 1949, this individual denied membership in the Communist Party.

Investigation established his membership in the Communist Party from some time in 1945 through 1948, thus evidencing a concealment and false denial of such membership.

Status of annuity (would continue to be denied): Annuity originally and currently denied under section 2(b) of Public Law 83–769. Section 1 of H.R. 4601 as it will amend section 2(b) of Public Law 83–769 will continue denial of the annuity in this case.

CASE NO. 17: EXHIBIT 4 (17 CASE SUMMARY)—CASE NO. 61: EXHIBIT 1 (189 CASE SUMMARY)

Senator WILLIAMS' reference, top, column 2, page 9439: "There is the case of another man who was charged with embezzlement and with conduct prejudicial to good discipline in the Navy. He was one of the chief accountants of the Federal Public Housing Authority. The bill would give him $8,111 in retroactive retirement benefits. These are serious charges. * * * We do not want to reduce this [retirement] system to the point where every crook will be drawing payments from the Government."

CASE HISTORY

Last position: Chief accountant, Federal Public Housing Authority.

Benefits denied.

Previous reports: Annuity, $199 per month, $8,111 accrued to April 30, 1959; $10,499 accrued to April 30, 1960.

Present information (based on full record—file recently obtained from permanent storage repository):

(a) $849 in annuity denied former employee, covering period June 1, 1955 (age 62) to September 26, 1955 (date of death).

(b) Final lump sum of deductions, plus interest to September 1, 1954, paid widow. Interest over period September 1, 1954, to May 31, 1955 (deferred retirement date) withheld, Public Law 769.

(c) H.R. 4601 would restore only interest item ($123.69) withheld from lump sum paid widow.

Federal service, 27 years, 4 months: U.S. Navy (honorable military), December 31, 1912, to February 6, 1922; Civil Works Administration, February 8, 1934, to June 28, 1934; Treasury Department, July 26, 1935, to September 30, 1941; FPHA, October 1, 1941, to May 31, 1953.

While pay clerk, U.S. Navy (final period naval service February 7, 1922, to March 3, 1927), tried by general court-martial and found guilty under military laws of: (1) embezzlement of money of United States intended for naval services, three specifications; (2) conduct to the prejudice of good order and discipline, five specifications.

Maximum penalty specified by law: Information on maximum penalty imposed by military laws in 1927 not available.

Penalty imposed by court martial: Dismissal from U.S. Navy; 5 years' imprisonment at hard labor.

COMMENT

All of this individual's civilian Federal service and retirement credit was built up after he had served his sentence and discharged his debt to the United States on account of his offenses against military law. It is not believed that the additional penalty—denial of benefits built up during subsequent employment—should be imposed by civil statute.

CASE NO. 17: EXHIBIT 4

Supplemental item requested: Amount embezzled.

Report of offense and conviction from Navy Department recites that this former officer was tried (1927) by general court-martial and "found guilty of: (1) Embezzlement of money of the United States intended for the naval service thereof (3 specifications $4,680.35)."

Mr. CLARK. Mr. President, the Department of Defense is only now beginning to realize what an adverse effect the 1954 act is having on its personnel. I ask unanimous consent to insert in the RECORD at this point articles dealing with this subject published in the New York Times and in the Air Force Journal.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 22, 1960]

HISS ACT IS VOIDING MANY GI PENSIONS

(By Jack Raymond)

WASHINGTON, June 21.—Thousands of servicemen with small offenses on their military records are losing or will lose their retirement pay under the so-called Hiss Act. A Pentagon official said today the situation was a "gross injustice."

The Defense Department has already advised 200 servicemen to delay retirement, the official said. A bill to amend the act is given little chance of passage in this session of Congress.

The Hiss Act was intended to add to the punishment of Alger Hiss, former State Department official, who was convicted of perjury in denying that he had revealed Government secrets.

The act, adopted in 1954, cited convictions for such felonies as subversion, embezzlement, and similar failures in keeping a public trust as cause for denial of Government retirement benefits.

The General Accounting Office, which is responsible for approving the payments, has ruled that the maximum punishment possible under the law—not merely the punishment that actually was meted out—is the criterion for determining whether the Hiss Act would apply.

All of the major departments of the Government have advocated amending the law to protect employees guilty of minor infractions from suffering loss of substantial sums in retirement pay.

J. Vincent Burke, General Counsel of the Defense Department, noted today that it worked a special hardship on military personnel.

"An effort was made almost immediately after the act was first passed to get it amended," Mr. Burke said. "But as soon as the name Hiss comes up in Congress everyone turns tail."

The Pentagon legal officer said that "serious morale problems," had been raised within the Department of Defense and cited examples of the "harsh effect" the law has had "and will continue to have on members of the Armed Forces unless remedial action is taken."

One example was that of a Marine Corps sergeant whose infraction of regulations in 1947 is barely remembered by superiors. His service record includes the following two lines:

"Unauthorized use of Government vehicle.

"Proved by plea."

Now, ready to retire, the sergeant stands to lose retirement pay valued at $48,922.

In another case, a chief warrant officer drew money without authorization in advance of his family's movement from one post to another. He ultimately was transferred but he was accused under regulations. He agreed to plead guilty to facilitate the case and was punished with a reprimand and a fine.

The plea of guilty cost retirement pay valued at $103,000.

[From the Army, Navy, Air Force Journal, June 18, 1960]

THOUSANDS IN SERVICES FACE "GROSS INJUSTICE" PAY LOSS UNDER HISS ACT

Thousands of career servicemen, who have been convicted of minor offenses by inferior" military courts have lost entitlement to retired pay.

The "gross injustice," as it has been labeled by the Defense Department, stems from the so-called Hiss Act passed by Congress in 1954.

This act was designed to bar former State Department official Alger Hiss from receiving Government benefits after he had been convicted of perjury in a widely publicized case.

In drafting the measure, however, the Government did not confine its actions to Mr. Hiss, or to cases involving national security, but wrote an all-embracing measure covering all Federal workers and dozens of unlawful acts.

In the 6 years since passage of the act, it has resulted in many cases of unexpected and, in the words of the Budget Bureau, "unwarranted hardships," to both employees and survivors.

The Government has asked that the act be substantially rewritten so as to remove certain "offending provisions" and confine the penalties of the act to security cases.

The suggested change has been approved by the House and by the Senate Post Office and Civil Service Committee, but was recommitted to the Senate committee after a heated floor argument in which some Senators objected to the Government's making any kind of payment to former employees convicted of crimes.

Gathering news evidence to take the measure back to the Senate floor, the Post Office and Civil Service Committee has asked a number of top Government agencies to restate their views on the new bill.

Defense Department General Counsel J. Vincent Burke, Jr., has revealed in his reply that thousands of military men will lose their retired pay under the act even though convicted of offenses which drew only "reprimands or small fines."

He cited several cases of the "harsh effect" of the act.

One involves a sergeant who, while driving a Government vehicle on a scheduled route, deviated eight-tenths of a mile off that route. He was tried by a summary court-martial and reduced to a lower grade.

Under the Hiss Act, he has lost entitlement to pay valued at almost $33,000.

In another case, a sergeant was convicted by a deck court of unauthorized use of a Government vehicle, and "for his minor offense he has lost retirement pay valued at $38,922," General Counsel Burke reported.

Another example cited was that of a chief warrant officer who was reprimanded and made to forfeit $400 for an offense to which he had pleaded guilty. Mr. Burke said this officer "will lose retirement pay estimated to be worth $103,000."

The Defense Department General Counsel said cases such as those cited "will number in the thousands."

He noted that the "harshness" resulting from the Hiss Act "was never intended by the Congress. If remedial action is not taken, it will undoubtedly have a drastic effect on the morale of our Armed Forces. As in the case of Chief Warrant Officer "P" above, even the attorneys in the case evidently did not realize that a plea of guilty would result in a loss of retirement pay valued at over $103,000."

As it applies to the services, the Hiss Act bars retired pay for any member of the armed services who has been convicted of any offense before any type of military court, regardless of the sentence, provided that the offense would have been punishable by at least a year and a day in jail if he had been convicted by a civilian court.

In order to maintain discipline many members of the Armed Forces are tried by courts-martial and given appropriate punishment, such as reprimand or small fines, for minor infractions of the rules, General Counsel Burke said.

To apply the Hiss Act to these cases, "is in our judgment a gross injustice to the man and his family."

MEMO

The services will be astonished to learn that thousands of career military men—many of them with decorations for combat service—face loss of retirement pay because it has been ruled that they come under the Hiss Act. Unless Congress remedies this deplorable situation immediately, there will be a drastic impact on military morale. The facts, just brought to light, show that the act is being administered against military men in a manner in which Congress never intended. Cited is the case of an enlisted man who will lose $33,000 in retirement pay for a summary court-martial conviction in which he drove a Government vehicle 0.8 of a mile off a scheduled route.

A Comptroller General's ruling has tied the hands of the Pentagon, which is seeking remedial legislation as a top priority matter. General Counsel J. Vincent Burke, Jr., has declared that the present interpretation of the Hiss Act, from which the Pentagon has no out, is a "gross injustice."

AMENDMENT OF THE SMALL BUSINESS ACT

Mr. PROXMIRE. Mr. President, earlier today I presented to the Senate a report from the Committee on Banking and Currency on a small business bill, H.R. 11207. The bill is of very great significance to small business in America and also to the taxpayers, because the bill provides that small business will

have a much greater opportunity to bid competitively on Government contracts, particularly defense contracts.

I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION BY SECTION ANALYSIS OF H.R. 11207, AS AMENDED, A BILL TO AMEND THE SMALL BUSINESS ACT

Sections 1 and 2 are technical.

Section 3 would increase the authorization for the SBA revolving fund for its regular business loan program by $75 million.

This increase will make the total amount of the revolving fund $1,050 million. The SBA estimates that this increase will permit the continuation of its loan program until well into fiscal 1962.

Section 4 provides that section 3648 of the Revised Statutes shall not apply to the prepayment of rentals for safety deposit boxes which the SBA requires to store collateral for its loans. Section 3648 states that "no advance of public money shall be made in any case unless authorized by the appropriation concerned or other law."

Section 5(a) amends section 10 of the act—

1. To require the SBA to make reports to Congress and the President annually (on December 31) rather than semiannually as presently required.

2. To permit SBA to include in its yearly report the quarterly report it now is required to make on its progress in liquidating the assets formerly held by the RFC.

3. To require the Attorney General to make surveys and submit yearly reports to Congress on any activity of the Government which may affect small business, for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, promote undue concentration of economic power, or otherwise injure small business. The Administrator of SBA may also request the Attorney General to make supplemental surveys if special need for such surveys should occur.

Section 5(b) amends section 708 of the Defense Production Act by eliminating the requirement that the Attorney General must make quarterly reports to Congress and the President setting forth the results of his surveys of mobilization programs authorized under the Defense Production Act. It would, however, leave in the requirement that the Attorney General report quarterly on activities under the voluntary agreements under that section.

Section 6 would amend subsection 2(a) of the act to add the words "or subcontracts" to the policy declaration of the act. The intent of this proposal is to encourage a greater allocation of subcontracts to small business.

Section 7 amends subsection 8(b) of the act—

1. By inserting in paragraph (8) after the word "reports" the words "and records for review."

This would allow SBA to have available to it more complete records of all procurement actions.

2. By rewriting paragraph (11) to authorize SBA to make studies of the Government procurement and disposal processes at all stages thereof and make recommendations to the appropriate agencies to insure that a fair proportion of Government purchases, contracts or subcontracts for property, services, and research and development programs be placed with small business.

This is designed to broaden SBA's authority to make studies of the Government's procurement and disposal processes to insure that more procurement subcontracts are placed with small business concerns.

Section 8 would add a new subsection 8(d) to the act to provide that SBA shall institute a small business subcontracting program. This program shall contain provisions to insure that small business concerns participate equitably as subcontractors and suppliers to prime contractors or subcontractors of Government procurement contracts. Such prime contractors or subcontractors would be required under the terms of all prime contracts over $1 million and all subcontracts over $500,000 to consult with and utilize the services of SBA when requested to do so by SBA and furnish SBA any information and records concerning subcontracting as it may require.

This program will place the Small Business Administration in a position to act as an effective salesman for the interests of the small business community.

Section 9 would add a new subsection 8(e) to the act to empower the Secretary of Commerce to obtain notice of all defense procurement actions of $10,000 and above, and all civilian procurement actions of $1,000 and above, except those procurements (1) which for security reasons are of a classified nature, (2) which involve perishable subsistence supplies, (3) which are for utility services, or (4) which are of unusual or compelling emergency, and publish such notices in the daily "Synopsis of U.S. Government Proposed Procurements, Sales and Contract Awards."

This amendment is designed to give notice of a larger number of Government procurement actions to businessmen.

Section 10 amends subsection 7(d) of the act regarding grants for studies, research and counseling—

1. To permit a corporation formed by two or more eligible entities to be eligible to receive a grant.

These new corporations would be able to give a broader financial and scholastic scope to the subject matter of the grant than would a single grantee.

2. To provide that SBA may require as a condition to a grant that an amount not exceeding the amount of the grant be furnished from sources other than SBA.

3. To provide that if the grant or any part of it is used to provide counseling to individual small business enterprises SBA shall require a matching of the amount of the grant.

The additional money received as a result of these amendments should improve the effectiveness of the grants program.

Section 11: Section 502 of the Small Business Investment Act of 1958 provides for loans to State and local development companies to assist an identifiable small business concern in plant construction, conversion or expansion.

Paragraph (6) of section 502 provided for termination of the authority to loan to local development companies after June 30, 1961.

Section 11 of H.R. 11207, as amended, would strike paragraph (6) of section 502 thereby permitting continuing authority in the Small Business Administration for loans to local development companies.

Mr. PROXMIRE. I do this because it is my understanding that the bill may be motioned up tomorrow or in the near future. I believe it will be helpful to Members of the Senate to have an opportunity to read the summary, which is a concise summary of a significant bill, and shows exactly what the bill provides.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960—CONFERENCE REPORT

The Senate resumed the consideration of the conference report.

Mr. PROXMIRE. Mr. President, I enthusiastically support the position taken by the senior Senator from Pennsylvania [Mr. CLARK]. He is absolutely right. I join him in the hope that the Senate tomorrow will vote to reject the conference report, with the understanding, of course, that the conferees will meet again and try to prevail upon the House to recede from its position.

Mr. President, trying to close loopholes in the Internal Revenue Code is one of the rockiest, most booby-trapped roads in the Senate. We have not succeeded, in some cases, although year after year we have attempted to close certain loopholes, because we have been unsuccessful in getting enough votes in the Senate to do that.

I submitted an amendment, which the Senator from Pennsylvania very graciously praised. It would provide for a withholding tax on dividends. It would raise a billion dollars without increasing anyone's tax, and would result in the Federal Government getting money that is due the Federal Government. That amendment was defeated. When an amendment is defeated, the sponsor must accept the will of the majority for the present and then must try again.

In the case of the Clark amendment to end this business expense scandal, however, we succeeded in persuading the Senate to agree with us. The Senate agreed with the Senator from Pennsylvania and with the Senator from Minnesota on the amendment which would eliminate the 4-percent exclusion privilege given a dividend recipient. We who believe in plugging loopholes won on the floor of the Senate; but we lost in conferences.

I wish to take a few minutes to discuss the situation tonight, and to put it into perspective. I asked the Library of Congress to draft for me a review of the success or lack of success the Senate has had in conference with the House on revenue bills. I did this because we have been told again and again on the floor that the House is very much concerned about its constitutional prerogatives to originate revenue legislation. We have been told that it guards those prerogatives very jealously and considers itself as the body which is primarily concerned with passing revenue legislation; and some people even feel that the Senate has a secondary role to play in that regard.

The study which I have had made by the Library of Congress indicates that any feeling of inferiority on the part of the Senate simply is not merited, because in case after case the Senate has prevailed.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. It occurs to me that the point the Senator from Wisconsin has made is of great importance, because it has always been my view that the precedents, at least in recent years, were on the side of the House in this regard. Nevertheless I am sure that the research the Senator has had made on this subject will establish that not only in the Constitution as it was written, but also as it has been interpreted through long

years since the founding of the Republic, the Senate is a body of equal authority in the field of tax law, and that the only priority which the House has is that of starting measures, but that once a measure comes to the Senate the Senate does not have to yield to the House, either constitutionally, or in justice, or in equity, in connection with the passage of tax laws. Is that not correct?

Mr. PROXMIRE. The Senator is absolutely correct. As a matter of fact—and I know that the Senator has a commitment to keep which calls him off the floor—I should like to call the Senator's attention to one situation in particular. In 1954, when our friends on the minority side had control of both Houses in Congress, the Internal Revenue Code was substantially revised. The House sent the bill to the Senate, and the Senate added 553 amendments, of which, according to the Library of Congress, 173 could be considered as truly substantive. The House accepted 157 of the 173 substantive Senate amendments.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. CLARK. It occurs to me that these figures are of the utmost importance. I hope that our colleagues will consider them carefully before they come to vote on the bill tomorrow. If the Senator will yield further, I should like to ask him also if he will treat in his talk tonight the question of whether a catastrophe will overcome the country if the tax bill is not passed and signed by the President before the end of this month. My own view is that no such catastrophe will arise, and that clearly the corporate income tax could be made retroactive by a few weeks or even a few months, and that the loss in excise taxes for a few days would be minuscule as compared with the loss to the Treasury if the tax loopholes are not closed. I wonder if the Senator would concur with me in that statement.

Mr. PROXMIRE. I concur completely. I believe it is extremely important. I know that the Senator from Pennsylvania has been urged, as I have been urged also, to speak at considerable length on this subject. There is a great deal of merit to speaking for 5 or 6 or 7 days on it. However, we have cooperated completely with the leadership, and we have agreed to vote on the conference report at 2 o'clock tomorrow afternoon, because we do not want to delay it. I have raised this point because it seems to me completely responsible for us to vote to reject the conference report tomorrow. If the Senate agrees with the Senator from Pennsylvania and with the Senator from Wisconsin, there could still be a second conference. There would be ample time for the conferees to report back to the House and Senate. If the House should recede from one or both of its amendments, action could be taken by the House and Senate in plenty of time before the deadline. However, in the event action could not be taken before the deadline, there is no question in my mind, and I assume in the mind of anyone who has considered the question thoughtfully or carefully, that there would be no penalty to the Treasury at all. Not a nickel of revenue would be lost. The taxes could be made retroactive by a carefully worked out plan.

The Senator from Pennsylvania is correct. Far from depriving the Treasury of revenue, the fact is that if we can persist and win the fight, the Treasury will be helped, because the budget will be substantially balanced.

Mr. CLARK. I commend the Senator from Wisconsin for his clear, and clearly sound, remarks. I thank him again for the strong support he has given to the fight to close tax loopholes since he first came to the Senate, and I express my appreciation for his position in this regard.

I hope we shall win tomorrow; but I know that even if we lose tomorrow, the day will come—and quite soon—when these iniquitous loopholes will be eliminated.

Mr. PROXMIRE. I thank the Senator from Pennsylvania whose leadership of this fight has been magnificent.

As I said in 1954, the record was clearly established that the Senate made a large number of amendments to the Revenue Act which came from the House. I repeat these figures, because they were very persuasive to me. One hundred and seventy-three amendments were considered to be substantive by the Library of Congress, and the overwhelming majority—better than 90 percent—of those amendments were accepted by the House—157 of the 173 amendments—indicating that on the basis of precedent, the position of the House was that the Senate's action should be respected wherever possible, and wherever the Senate's logic could prevail.

A whole series of similar examples is contained in the study. For instance many persons have wondered how the oil depletion amendment developed, an amendment which has given such a tremendous advantage to the oil industry. The amendment was not initiated in the House; it was added as a Senate amendment to a House bill. As the report states, it started in 1926 in the form of a Senate amendment, applicable only to oil and gas wells. Since that time, the percentage depletion has been extended in piecemeal fashion, sometimes as the result of House initiation, sometimes as the result of Senate initiation, to minerals.

The study contains many other examples.

Mr. President, I ask unanimous consent that the study by the Library of Congress on revenue legislation originating in the Senate be printed at this point in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS STUDY ON REVENUE LEGISLATION ORIGINATING IN THE SENATE

(By Raymond E. Manning)

THE CONSTITUTION AND ITS LIMITATIONS

The Constitution of the United States, article 1, section 7, provides:

"All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills."

Explaining the operation of this provision, it has been remarked: [1]

"The power to originate tax legislation is one of the few exclusive prerogatives of the House of Representatives, and one to which it jealously clings. However, as tax legislation has developed in practice, the Senate has been a full and equal partner in determining its content. An observer would find it difficult to say which body over the years has had the greater influence on tax policy."

The same author continued: [2]

"The exclusive constitutional authority of the House of Representatives to originate revenue legislation in no way restricts the Senate's equal legal authority in determining the substance of the legislation. Once a revenue measure reaches the Senate from the House, it may be added to, modified, or radically changed in any way the Senate may see fit. If the House agrees to the amendment, the fact that it originates in the Senate does not impair its validity."

The Supreme Court has dealt with the validity of several Senate-added amendments, and has consistently upheld them. In one of the cases, for example, the Court had before it the validity of a corporation tax. The tariff bill proposed in 1909 carried a section approved by the House which imposed an inheritance tax. The Senate omitted the inheritance tax and substituted a corporation tax. The Court said: [3]

"The bill having properly originated in the House, we perceive no reason in the constitutional provision relied upon why it may not be amended in the Senate in the manner which it was in this case. The amendment was germane to the subject matter of the bill, and not beyond the power of the Senate to propose."

OTHER PRECEDENTS

The passage by the Senate of certain amendments to House-approved revenue bills has caused considerable discussion in both Houses over the years. For a collection of precedents on the prerogatives of the House as to revenue legislation, see "Hind's Precedents of the House of Representatives" (vol. 2, secs. 1480–1489 (1907)) and "Cannon's Precedents of the House of Representatives" (vol. 6, secs. 314–318 (1936)).

Set forth below are a variety of instances where the Senate has added important provisions to House-approved bills. The listing is intended in no sense to be complete and represents only a scattering of examples brought together from memory or as disclosed through a somewhat hit-or-miss search.

INTERNAL REVENUE CODE OF 1954

Over the years the Senate has from time to time raised or reduced rates of taxes proposed by the House; and no effort is made at collecting examples of these here. Similarly, the Senate has frequently made many substantive changes in House-approved revenue legislation. For example, in the passage of the Internal Revenue Code of 1954, the Senate made 553 amendments of which 173 could be considered as "truly substantive." The House accepted 157 (of the 173) amendments without change.

REVENUE ACT OF 1950

An outstanding example of Senate leadership in revenue legislation is found in the Revenue Act of 1950. This act started its way in the House as a measure to reduce excise taxes. The expected loss from reduced or repealed excise taxes was nearly $1 billion, although supplementary provisions and "loophole" closings were estimated

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[1] Roy Blough, "The Federal Taxing Process," p. 62.

[2] Ibid., p. 65.

[3] *Flint* v. *Stone Tracy Co.* (1911) 220 U.S. 107.

to provide a net yield of $55 million. Between House passage of the bill and its consideration in the Senate, the situation in Korea greatly worsened, and the revised bill as finally passed was predicted to yield a total revenue gain of $4.5 billion. The Senate version eliminated the excise tax cuts, retained most of the revenue-raising provisions of the House bill, and increased individual and corporation income taxes. Among other provisions added by the Senate were sections providing rapid amortization for emergency facilities, special tax treatment for employee stock options, and excluding combat pay of members of the Armed Forces.

PERCENTAGE DEPLETION

One additional substantive bit of legislation may be noted here before listing some special taxes (principally excise taxes) which had their origin in Senate initiated legislation. Earlier legislation had successively provided for tax recognition of cost depletion and discovery cost depletion for natural resources, but it was not until 1926 that percentage depletion was introduced. This started out in 1926 in the form of a Senate amendment applicable only to oil and gas wells. Since that time, percentage depletion has been extended in a piecemeal fashion, sometimes at House initiation and sometimes at Senate initiation, to all minerals. Today this constitutes one of the most controversial aspect of our income tax laws.

VICTORY TAX (1942)

The Revenue Act of 1942 as passed by the Senate carried the so-called Victory tax which imposed a tax of 5 percent on income of individuals in excess of $624. The act also carried a postwar credit provision which in effect reduced the levy to 3.75 percent for single persons and 3 percent for married persons. The tax was to be collected by withholding at the source. The bill, as it passed the House carried no similar provision. The amendment was accepted in conference with minor changes.

ELECTRIC-LIGHT BULBS AND GAS AND OIL APPLIANCES (1941)

The Revenue Act of 1941 as passed by the Senate included an excise tax on gas and oil appliances. The House bill had a provision for taxing electric appliances, but not oil and gas appliances. The Senate amendment was accepted by the House and became law. The Senate also added an amendment to tax electric-light bulbs; there was no comparable provision in the House bill. With amendments, both were accepted by the conference.

CAPITAL STOCK-EXCESS PROFITS TAX (1933, 1934)

The National Industrial Recovery Act of 1933 as it passed the Senate carried a provision imposing a new type capital stock-excess profits tax. There was no corresponding provision in the bill as it passed the House. The provision was accepted by the House with amendments. This tax was temporary in nature and would have gone out of existence by its own terms in 1934. The Revenue Act of 1934 as it passed the House made no provision for its continuance or a substitute therefor. The Senate added new taxes patterned after the expiring provisions and the addition was accepted by the House.

CHECKS (1932)

The Revenue Act of 1932 as passed by the Senate imposed a tax of 2 cents each on all checks. There was no comparable provision in the bill as it passed the House. The Senate change was accepted in conference.

IMPORTS OF LUMBER AND COPPER (1932)

The Revenue Act of 1932 as passed by the Senate imposed manufacturers excise taxes on the importation of lumber and copper. There were no comparable provisions in the bill as passed by the House. The provision was accepted by the conference with amendments.

ELECTRIC ENERGY (1932)

The Revenue Act of 1932 as it passed the Senate carried a tax on sales of electrical energy. There was no similar provision in the House bill. The Senate change was accepted in conference with substantial amendment.

GASOLINE (1932)

The Revenue Act of 1932 as it passed the Senate carried a tax of 1 cent per gallon on gasoline. There was no similar provision in the bill as it passed the House. The Senate change was accepted by the conference.

Mr. PROXMIRE. Mr. President, two amendments added by the Senate were not accepted by the House. One amendment added by the Senate was accepted. Of the two which were not accepted, the first was a provision to strike the privilege accorded to dividend recipients to take 4 percent of their dividend income and deduct it from their tax—not from their income in computing the tax, but from the tax itself. Thus, a wealthy stockholder enjoying an income of $100,000 from stocks could subtract $4,000 from his tax. Thus, the $4,000 which he otherwise would have to pay in taxes, he could put into his pocket.

The justification for this provision was largely philosophical, as the Senator from Pennsylvania said. That has been the position of those who supported it. I think it is a very sincere position. It is a position however, for which I cannot find any support on the part of economists, or even on the part of those who stanchly defend the position if they are pressed far enough.

It is said that the incidence of the corporation income tax falls on the stockholder; that the 52 percent corporation income tax is a tax which is borne by the person who invests in stock in American corporations. It is contended that since that person's income is thus taxed at 52 percent through the corporation's income tax, he is taxed again with a personal income tax on his dividend, and thus is taxed twice on the same income.

If this were true, it would be a very persuasive and strong argument for some kind of concession to stockholders. It is true that in many cases people consider this to be the situation. I shall point out exactly why I think it is not.

First, much of the stock which is listed on the exchanges in the United States, and is held by stockholders all over the country, is stock in utilities of various kinds. As a matter of fact, the company in America which has the largest amount of stock outstanding, in terms of value, is the American Telephone and Telegraph Co. That company is a public utility. Also, literally billions of dollars are invested in the stock of numerous electric light and power utilities.

Not a single nickel of the corporation income tax of the vast majority of utilities is borne by the stockholders. The reason is that the rates charged by the utilities are determined on the basis of a return on capital after taxes. For example, suppose a utility enjoys an income of $100,000 before taxes, which represents, after taxes, a 6 percent return, and the utility regulatory body feels that 6 percent is a fair return. Now let us assume taxes are increased by $50,000, through an increase in the corporation income tax. The utility body will then permit the utility to increase its rates to compensate itself for the additional tax, and the entire burden of tax falls not on the stockholders, but on the consumers. This is true of every electric light and power company, every telephone company, every other regulated monopoly which is able to pay its way. A few utilities have not enough income to enable them to earn the return which the regulatory body will permit them to earn, but these situations are certainly rare in America today.

Therefore, in the case of a very substantial part of the utility stock held in America, the burden lies, not to the extent of one penny on the stockholder, but entirely on the consumer. Yet the stockholders are entitled to deduct 4 percent of their dividend income from their taxes.

Many companies in this country enjoy either a monopolistic or what economists call an oligopolistic position. That is, either a company is alone in an industry, or two, three, or four companies, or a handful of companies, control the industry sufficiently so that they can regulate their production and also set their prices.

I think we all know this is true of the steel industry; it is true of the oil industry to a very great extent. It is true to a lesser extent in the automobile industry. It is true to an extent in the insurance industry; it is true in many other areas of American life. In those industries, the leaders control the prices. The leaders determine to a very great extent the prices which will be paid. They establish their own prices. They establish their prices, as economists have said over and over again, on the basis of cost. That is the purpose of cost-accounting systems. The industry can determine its costs, and price it sells accordingly. It can cover all its costs and set prices on that basis.

In my own little corporation, of which I owned 50 percent, and of which I was the president, that is the way we always determined our prices. Ours was a small company; certainly we are not in any way a monopoly in our field or our area. However, we found that other businesses follow the same practice. Every prudent businessman, if he intends to stay in business, finds that the price at which he sells his commodity must cover his costs. It is necessary to include all costs, including capital invested. There are many exceptions to this rule, it is true; but generally it is the position of those who have control of the industry and control of the price, and who can establish the prices, as is done in steel, through price leadership, and as is done in many other industries, to establish the price which will cover the cost, and cover it fully, including return on all capital.

Therefore, that very large group of concerns, not utilities, but in a monopoly position or a price-controlled position, also are subject to shifting the burden of taxation from the stockholder to the consumer.

Some concerns are very competitive, pricewise; and it may be that in some of these cases increased taxes are borne by the stockholders. But I believe we can recognize that what happens in some of these industries is that when a fairly heavy tax is imposed, over a certain period of time—and certainly over a long period of time—capital refuses to go into the industry, because of the taxes; competition lessens, prices rise, and the long term effect is to shift the burden of taxation from the stockholders to the consumers.

Mr. President, even if what I have said is disputed, it seems to me that if any case can be made for the argument that the burden of taxation is shared equally by the consumers and the stockholders or is shared partly by the consumers and the stockholders and also by the employees of the corporation, the argument for permitting a special tax privilege for the dividend recipients is destroyed.

I have before me a study by the Tax Foundation, project No. 45, "Allocations of the Tax Burden, by Income Classes." I may say the Tax Foundation is an organization of outstanding economists and very prominent businessmen. I should like to read the names of some of them and their positions, to indicate that the position taken by the Tax Foundation on the question of who pays the corporation income tax is not the position of college professors or labor economists or Democratic Senators. The members of this group include some of the following:

S. Sloan Colt, Bankers Trust Co.

It is my recollection that Mr. Colt is chairman of the board of that company.

Jay E. Crane, of the Standard Oil Co. of New Jersey.

Frederic G. Donner, chairman, General Motors Corp.

Lamar Fleming, Jr., chairman, Anderson Clayton & Co.

Fred Florence, chairman, Republic National Bank of Dallas.

Robert W. French, president, Tax Foundation, Inc.

Gordon Grand, vice president, Olin Mathieson Chemical Corp.

Edmund L. Grimes, chairman, Commercial Credit Co.

John W. Hanes, Olin Mathieson Chemical Corp.

And so the list goes. All of them are outstanding business executives who are looking at this matter from a business standpoint.

On page 11 of the study, we find that the Tax Foundation finds the following about the burden of the corporation income tax:

> The corporation income tax, as already noted, presents the most significant question of tax incidence. In the absence of general agreement on the incidence of this tax, it is assumed here that half of the corporation income tax burden is shifted forward to consumers and accordingly is distributed in accordance with the distribution of consumption expenditures by income classes.

Mr. President, as I have said, that is the conclusion of a competent businessmen's group headed by some of the outstanding businessmen of the Nation. It is not the conclusion of people who have an ax to grind in terms of wishing to impose additional taxes on businesses or their stockholders. This group is composed of men who have precisely the opposite point of view.

Last November, I was startled to discover on the front page of the Wall Street Journal an article, by George Shea, the Wall Street Journal's very fine columnist, in which Mr. Shea wrote as follows:

> When there was talk of reducing the corporate tax, the alternative frequently suggested is a manufacturers' sales tax. The difficulty is that many people, including this writer, don't see too much difference in the net effect of the two. Corporations must collect the income tax they pay from their customers through the prices they charge them, just as they would have to do with a tax on the goods they sell.

Mr. President, there the Wall Street Journal was saying that the incidence of the corporate income tax is the same as the incidence of the sales tax—namely, that it falls on the consumers.

Mr. President, the man who has been the foremost defender in this country of this special privilege to stockholders, the man who has argued the most persistently that the incidence of the corporate income tax falls on the taxpayers, is the president of the New York Stock Exchange, G. Keith Funston. Of course, one would expect him to take that position. Keith Funston is a very fine man and a very able man. He formerly was president of Trinity University. I have had correspondence with him on this issue. I wrote to him shortly after the article to which I referred a moment ago appeared in the Wall Street Journal, and I called it to his attention. Incidentally, after I had called the article to his attention, Mr. Shea, of the Wall Street Journal, revised his position, and said perhaps he was wrong in the position he took before, and that perhaps the burden did fall on the stockholders. But the initial position of Mr. Shea, in the Wall Street Journal, was that the incidence largely fell on the consumers.

Mr. Funston wrote to me on November 30, 1959, in part as follows:

> On the question of shifting the corporate tax burden, a careful reading of the papers submitted to the committee—

That is to say, to the Ways and Means Committee—

> by panel experts reveals that there is no clear agreement. Highly regarded economists find as much evidence on one side as the other. There is, in short, ample support for my conviction that the greater part of the corporation income tax is borne by shareholders. By way of illustration, here are typical comments submitted to the committee:

Then Mr. Funston quotes Prof. Carl Shoup, of Columbia.

Second, he quotes Prof. Dan T. Smith, of Harvard.

Third, he quotes Prof. Paul G. Darling, of Bowdoin College.

Fourth, he quotes Prof. Daniel Holland, of Massachusetts Institute of Technology. The comment of Prof. Daniel Holland is typical. He said:

> Thus, as regards the incidence of the corporate income tax, the behavior of the rate of return on invested capital over time suggests, in a loose sense, that the tax has been shifted; the constancy in the percent that profits (pretax) comprise of income originating in corporations suggests that it has not been shifted.

In other words, the tax shifts to the consumers. That is the kind of comment that the experts who were selected by Mr. Funston agree upon. So even Mr. Funston has to admit that he cannot make a clear case, on the basis of the testimony given by those experts, for the argument that the stockholders bear the burden of the corporate income tax.

Mr. President, if it is argued that this is double taxation, I submit there is a very easy solution for that problem. It is not to give the stockholders a special and very unusual deduction, so they can subtract a portion of their dividend income from the part of their income subject to tax. The solution is, instead, to reduce the corporation income tax. I would favor that, and it would take care of everyone. It would take care of the employees of the corporations, for, of course, when the corporations bargain with the unions, they bargain to some extent with their own employees; and all are to some extent consumers of what the corporations sell, so that arrangements would take care of the corporations and the stockholders and the employees, and, thus, the consumers generally. It seems to me this is the fair way to make sure that everyone is covered, rather than to single out the employees or the stockholders and give them a special advantage. But that was provided by the 1954 law, which many of us feel is unfortunate and improper.

So to conclude this part of my presentation, I say that in the case of the incidence of the corporate income tax, the principal argument that is made by those who support this dividend exclusion is that if we do not do this, there will be double taxation. I think that argument is completely met on the basis of statistics which are available, and on the basis of any kind of theoretical reasoning, and on the basis of any kind of practical experience.

Mr. President, I think it fair to determine who secures the advantage from this particular tax. I should like to point out that the advantage is very, very heavily concentrated. The fact is that, on the basis of press reports, a study by the Survey Research Center of the University of Michigan shows that only 14 percent of American families own any stock. To begin with, that means that the total privilege in this case goes to only one out of every seven or eight families. In the second place, 55 percent of the families who own stock have annual incomes of $15,000 or more. Two and a half percent of American families own 42 percent—nearly half—of the stock. Five and seven-tenths percent of the families of the United States own more than two-thirds—more than 66⅓ percent—of the stock.

So the fact is that less than 6 percent of the families of this country would get over two-thirds of the benefits. One family in 19 will get, roughly, two-thirds of all the tax privilege.

I ask unanimous consent to place in the RECORD at this point an article from the Washington Post and Times Herald,

dated June 22, 1960, by J. A. Livingston, which discusses this report in great detail.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 22, 1960]

BUSINESS OUTLOOK

TWO AND FIVE-TENTHS PERCENT OF FAMILIES OWN 42 PERCENT OF STOCK

(By J. A. Livingston)

The best advertisement for the Irish sweepstakes is the printing of the names of winners in newspapers. The best come-on-in-the-water-is-fine for Wall Street is a bulk market. But people don't jump in hastily.

In the long advance from 1952 to 1960, stocks have more than doubled in value. Yet, families owning stocks in U.S. corporations increased only from 8 percent to 14.3 percent, or about three-quarters of 1 percentage point a year.

Why so slow?

I'd say because people are not stock minded. They are set in their ways of saving. First comes money in the bank, then life insurance and/or a home. Then, perhaps, stocks.

STILL HIGHLY CONCENTRATED

And, despite this growth, ownership is still highly concentrated. A just completed study of the survey research center of the University of Michigan brings out that America has a long way to go before being the land of "people's capitalism." This, in spite of slogan-slinging exertions of the New York Stock Exchange and Madison Avenue.

This isn't a strikingly new finding. I made the same point in the American Stockholder. But Michigan gives the assertion status and heft.

Interviewers asked stockholding families: What is the value of the stock you own? How many stocks do you own?

Previous surveys have been directed at answering: How many stockholders? That figure has recently been estimated at 13 million. Michigan puts the number of families at about 7.7 million. In earlier surveys, a family or individual owning $100 of stock was given as much weight as a family or individual owning $10,000 or $100,000 of stock.

The Michigan study takes value into account. It establishes that the preponderant holdings of stock are not with the masses, but with the upper income classes. Note this progression:

Only 6 percent of families with incomes under $5,000 a year own stock.

Sixteen percent of families with incomes between $5,000 and $10,000 own stock.

Thirty-six percent of families with incomes between $10,000 and $15,000 own stock.

And 55 percent of families with incomes of $15,000 and over own stock.

Up to this time, the pyramidal character of stockownership—heavy in the upper income brackets, light in the lower income brackets—has been conjecture. Now it can be discerned in two tabulations. The first compares the percentages of families at each income level with the percentage of stock-owning families:

Income	Percent of all families in United States	Stockowners as percent of all families
Under $5,000	46.7	2.6
$5,000 to $9,999	39.0	6.0
$10,000 to $14,999	9.8	3.2
$15,000 and up	4.5	2.5
Total	100.0	14.3

The second tabulation shows which families own the most stock by value.

All stock owned, percent of value of Income:	
Under $5,000	10
$5,000 to $9,999	26
$10,000 to $14,999	22
$15,000 and up	42
Total	100

Thus, 2.5 percent of the Nation's families own 42 percent of the value of stock, and 3.2 percent own 22 percent. Or, 5.7 percent of the families own nearly two-thirds of all stock.

CONSUMERISTIC SOCIETY

As a corollary, more than half the families with incomes of less than $5,000 own only one or two stocks. In contrast, more than half the families with $15,000 or more income own three or more different stocks.

The Survey Research Center cautions that when people are asked to give the value of their assets "underestimates far exceed overestimates. Since large stockholdings are primarily in the possession of high-income people, it is probable that the concentration ratios are likewise underestimated." Two observations are in order.

Differences in income are narrowing more rapidly than differences in wealth (including stockholdings). Differences in consumption likewise are narrowing more rapidly than differences in wealth.

A more appropriate term than people's capitalism to describe our economic system would be consumeristic society.

[From the Washington Post, June 19, 1960]

UPPER INCOME FAMILIES LEAD AS STOCKHOLDERS

ANN ARBOR, MICH., June 18.—Although buying stocks has become increasingly popular in recent years, common stock ownership continues to remain highly concentrated in upper income families, a study by the University of Michigan Survey Research center showed today.

The study which is based on interviews with 4,773 families conducted between November 1959 and February 1960 said that slightly more than 14 percent of America's families own publicly traded common stock today, compared with less than 10 percent in 1955 and around 8 percent in 1952.

Comparison of the survey with 1955 data shows there has been "no substantial change" in the concentration of stock ownership by dollar value in the upper income group in recent years, the research centers said.

As expected, however, ownership is concentrated among professional and managerial families, where the breadwinners have a college education and among family heads whose age is between 45 and 65.

Nearly one-third of the stock owners estimate their total holdings are worth less than $1,000; another third said their boldings run between $1,000 and $5,000; while only one family in 50 has holdings worth $25,000 or more, the findings showed.

Those who first bought common stock in the past few years generally have lower incomes than older shareholders. "Stock-ownership has spread to broader groups of the population" the survey said.

On a dollar value basis, families earning under $5,000 owned 10 percent of the common stock total: $5,000–$9,999 owned 26 percent; $10,000–$14,999 owned 22 percent; and the $15,000 and over income groups owned 42 percent.

The research center pointed out that people tend to underestimate the value of their holdings. For this reason, it said, the concentration of ownership outlined above probably is underestimated.

Mr. PROXMIRE. Mr. President, as the Senator from Pennsylvania has said, one of the unfortunate incidents, to me at least, was the fact that the amendment I proposed to the bill was rejected. This was an amendment which would put stockholders in the same position as wage earners in terms of having taxes withheld at source.

When you go to work in a company these days, the company withholds the income tax from your check before you receive your check. The overwhelming majority of Americans earn incomes from which income taxes are withheld at the source. But those who rely for their income on dividends enjoy a special privileged position, because their taxes are not withheld. As we were able to demonstrate in discussing my amendment, 15 percent of the dividend income paid to stockholders never shows up on income tax returns, and that means that there are a number of stockholders, apparently in the hundreds of thousands, who are evading their income tax. So this is an additional privilege that stockholders enjoy over wage earners in terms of income.

Mr. President, there was a time a few years ago, under the Roosevelt administration, when there were higher taxes on unearned income than on earned income. That law was passed on the ground that people who earned their income by the sweat of their brow enjoy some sort of special advantage. I am not sure that was wise. Perhaps it was unwise. However, the fact is that today we have a tax system that gives such a privilege and advantage to unearned income. The man who earns income by straining his muscle or brain in work suffers a tax discrimination.

If a man has earned income, his tax is withheld. He does not enjoy a special tax privilege. But if a man does not have earned income, but gets his income on the basis of dividends received from stock ownership, there is no withholding of his income. And 15 percent of such income does not show up on the income tax returns. What is more, he enjoys the special privilege of deducting a portion of that income from his tax.

Mr. President, the Senator from Pennsylvania has already made a very excellent and persuasive argument in favor of his amendment to end the swindle-sheet racket, or at least limit it. He says it will not end it, but cut it down. This question of giving very expensive presents and entertainment, and deducting them as expenses, has reached scandalous proportions. The Treasury Department acknowledges it is serious. In spite of that fact, the Treasury Department has failed to come up with any remedy 8 long years. They have had completely negative reaction to the amendment of the Senator from Pennsylvania, who has taken 4 long years to work up his amendment and refine it, and he has some of the best staff assistants anyone has in the U.S. Senate. In spite of that fact, he has had no help from the Treasury, which admits expense account abuses constitute a loophole which is depriving the Federal Government of taxes which should be paid. On that basis, there is now only a tiny minority of the American people, who are in control of income from corporations, who are taking advantage of that loophole. The factory

workers, or farmer, or old person relying on social security payments cannot have the advantage or the privilege, which is confined to a very few.

Mr. President, the Senator from Pennsylvania has stressed, in his request that the bill be sent back to conference, the need for revenue. That is the basis for this proposal. Nobody likes to pay taxes. Everyone likes to take every opportunity to secure tax relief. It is always more popular to open loopholes. It is always more popular to reduce taxes, whether it be for people with small incomes, large incomes, or incomes in between. Reducing taxes is the popular thing to do. Requiring that taxes be paid is not the popular thing to do, because we are all human. Nevertheless, the fact is we urgently need revenues. We have a very large national debt. We have, in many respects, substantially increased the budget requests and the amounts of money provided in bills the House has sent to us. The fact is that the next President of the United States, whether he is a Democrat or a Republican, is likely to have an even more serious concern about our defenses, and perhaps about the welfare of this country. A time when we are increasing public spending to meet the Communist challenge, a time when we expect a new administration to go further and faster is not the time for responsible United States Senators to kick away $600 million in revenues that goes to a few generally wealthy Americans who enjoy unjust tax privileges.

For this reason, it would seem to me the responsible action for Congress to take, if we are not going to increase general taxes—and I agree it is not practical, or perhaps not possible at this time—is at least to see that our tax laws are as fair and equitable and just as they can be.

The case has been made that these two amendments together would raise something like $600 million—which amount we could very urgently use in our Federal Government.

More important than the money we would raise, and more important than the needs of the Treasury, is the matter of simple equity in our tax system. America is the envy of the world in the responsible and conscientious manner in which taxpayers pay their taxes. Anyone who questions that statement has only to examine the situation in Italy or France, or many other free countries, where dodging taxes is a great national pastime or sport. We know how immoral and improper that is. It can disintegrate a country's morale as well as a country's revenues.

The overwhelming majority of taxpayers in this country pay their taxes not because they are afraid of getting caught if they do not, but because they recognize that they have a deep moral obligation to their country. We have something that is very precious and very important. Why do we have it in this country when they do not in other countries? I submit it is because of our feeling that our tax system is fair and properly administered and enforced. If the American people begin to recognize, as unfortunately they are beginning to recognize, that there are groups in our country who enjoy special privileges and are not paying a fair share of their taxes, there will be less of a tendency for tax evasion to develop to scandalous proportions in this country. I think, for those reasons alone, we should insist on the amendments.

Mr. President, I conclude by emphasizing what I said when I began. There are many rocky roads in the Senate. There are many rocky roads in the way of securing passage of proposed legislation. Whether the proposed legislation be popular legislation or unpopular legislation, a bill has to be introduced. The bill has to go to a committee. It is necessary to secure hearings in the committee. It is sometimes not easy to secure hearings in the committee. The bill must be reported by the committee. That is often difficult. After the bill is reported by the committee it has to be presented to the Senate. The bill can be rejected in the Senate. After the bill passes the Senate, it must go to the other body, and it must go through the same procedure in the House of Representatives. Then it must be submitted to the President for his signature.

But, Mr. President, the most difficult kind of legislation to secure is tax legislation. The amendment of the Senator from Minnesota [Mr. McCARTHY] to eliminate the dividend exclusion was passed last year by a majority vote of the Senate. The Senate was with us. But of course that amendment had to go to conference. It was deleted in the conference. The amendment was passed again this year. A majority of the Senate said this was the just, the proper, the necessary, and the desirable thing to do. Again the amendment went to conference. Again the conferees refused to accept it.

Mr. President, in view of the record, in view of the fact that the Library of Congress has established, on the basis of precedent as well as on the basis of theory, that the Senate is at least a coequal branch with the House of Representatives—that we have every right to insist on our amendments—it seems to me at least there should be a good argument before the amendment of the Senator from Minnesota is rejected.

I very carefully scrutinized the fine speech made by the chairman of the Finance Committee [Mr. BYRD of Virginia]. Perhaps I missed it, but I cannot find any justification for the conferees accepting the House position, refusing to accept the McCarthy amendment.

In view of the fact that the Senate has taken this position not once but twice, it seems to me we deserve to have a fight made for our position on the amendment.

The report indicates that almost all of the time in the conference was concerned with a discussion of the amendment of the Senator from Pennsylvania. I am glad the conferees devoted time to the amendment. I think we ought to devote more time to the amendment of the Senator from Pennsylvania, and we ought to win the fight. However, I think the amendment of the Senator from Minnesota deserves very careful and thorough consideration, also.

Mr. President, before I yield the floor, I wish to say I earnestly hope the Members of the Senate will consider the fact that the only way we can secure these tax reforms, on the basis of our sad experience over the past few years, is to insist that we reject a conference report once in a while, and send our conferees back to make a real fight for these reforms in which we believe.

These are very honorable gentlemen who serve on the conference committee, but I think we have every right—the rules of the Senate give us the right—to reject a conference report. If we do that, there will be ample time for the conference to act. We can still pass the bill before the end of the fiscal year. As the Senator from Pennsylvania pointed out, even if we do not, the loss to the Treasury will be nil, because it will be possible to make the corporation income tax retroactive.

AMENDMENT OF SOCIAL SECURITY ACT—ADDITIONAL TIME FOR AMENDMENTS TO LIE ON THE DESK

Mr. BYRD of West Virginia. Mr. President, on Friday I submitted two amendments to H.R. 12580, the Social Security bill, and asked that they be permitted to lie at the desk until today. I ask unanimous consent that those two amendments be permitted to lie at the desk until tomorrow for the convenience of additional cosponsors.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 27, 1960, he presented to the President of the United States the following enrolled bills:

S. 1018. An act to authorize and direct the transfer of certain personal property to State and county agencies engaged in cooperative agricultural extension work;

S. 1508. An act to provide for economic regulations of the Alaska Railroad under the Interstate Commerce Act, and for other purposes;

S. 1752. An act for the relief of Stamatina Kalpaka;

S. 2053. An act to provide for the acceptance by the United States of a fish hatchery in the State of South Carolina;

S. 2174. An act to permit the filing of applications for patents to certain lands in Florida;

S. 2331. An act to provide for hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes;

S. 2443. An act for the relief of Edgar Harold Bradley;

S. 2481. An act to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes;

S. 2618. An act to authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States;

S. 3072. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States;

S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey;

S. 3189. An act to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes;

S. 3226. An act to amend section 809 of the National Housing Act; and

S. 3485. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the United States and for other purposes.

ADJOURNMENT TO 10:30 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, I am about to move that the Senate adjourn. I ask the acting minority leader, the Senator from California [Mr. KUCHEL], if he knows of any further business.

Mr. KUCHEL. No, I will say to my friend. So far as I know, there are no Senators on this side who desire to have the Senate continue in session later tonight.

Mr. PROXMIRE. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until 10:30 tomorrow morning.

The motion was agreed to; and at (8 o'clock and 24 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, June 28, 1960, at 10:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 27, 1960:

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointments to the grades indicated in the Coast and Geodetic Survey:

To be ensigns

William F. Hamm	James E. McKee
Paul W. Hund, Jr.	Walter J. Senhow
Emilio F. Landy	Robert A. Trauschke
Michael C. McGuire	Joseph D. Williams

PUBLIC HEALTH SERVICE

Dr. Hugh Hudson Hussey, Jr., of the District of Columbia, Dr. Robert Morgan Stecher, of Ohio, and Dr. William Lowell Valk, of Kansas, to be members of the Board of Regents, National Library of Medicine, Public Health Service, for terms of 4 years, from August 3, 1960.

FEDERAL COMMUNICATIONS COMMISSION

Charles H. King, of Michigan, to be a member of the Federal Communications Commission for the unexpired term of 7 years, from July 1, 1954, vice John C. Doerfer, resigned.

ASSOCIATE JUDGE OF THE MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

Thomas C. Scalley, of the District of Columbia, to be associate judge of the municipal court of the District of Columbia for a term of 10 years. He is now serving in this office under an appointment which expired March 2, 1960.

CALIFORNIA DEBRIS COMMISSION

Col. Herbert N. Turner, Corps of Engineers, to be a member and secretary of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507) (33 U.S.C. 661), vice Col. Howard A. Morris, Corps of Engineers, reassigned.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Jimmie N. Puccio, Clio, Ala., in place of J. T. Easterling, resigned.

James L. DeWitt, Grove Hill, Ala., in place of M. C. Farish, deceased.

CALIFORNIA

George V. Peetris, Big Bear Lake, Calif., in place of R. F. Smith, resigned.

Willis W. Brown, Bijou, Calif., in place of L. F. Hillhouse, removed.

Sylvan C. Smith, San Pedro, Calif., in place of L. B. Chapman, deceased.

Dallas P. Murphy, Shingle Springs, Calif., in place of L. E. Heinz, resigned.

FLORIDA

Warren C. Harden, Sopchoppy, Fla., in place of O. M. Ashmore, retired.

Francis E. Earl, Tarpon Springs, Fla., in place of H. W. Craig, retired.

GEORGIA

Horace U. Whitaker, Rutledge, Ga., in place of Emory Davis, retired.

ILLINOIS

Richard A. Markuson, Batavia, Ill., in place of A. J. Mier, retired.

Floyd L. McCracken, Greenville, Ill., in place of D. J. McAlister, retired.

Michael C. Mott, Rio, Ill., in place of N. S. Junk, retired.

INDIANA

Warren P. Roberts, Wheatfield, Ind., in place of C. R. Keene, deceased.

IOWA

John F. Coffin, Conesville, Iowa, in place of J. R. Horton, transferred.

Dale M. Magnussen, Traer, Iowa, in place of Milo Mochal, retired.

Charles E. Boyles, Woodward, Iowa, in place of H. C. Calonkey, retired.

KANSAS

Earl A. Mountford, Selden, Kans., in place of B. S. Vaughn, retired.

KENTUCKY

Bryant J. Nugent, Jr., Hawesville, Ky., in place of W. T. Miller, retired.

LOUISIANA

Boyd Wilkins, Jr., Columbia, La., in place of C. D. Redditt, deceased.

Sharon B. Parker, Sikes, La., in place of Monroe Erskins, retired.

MASSACHUSETTS

Edward B. Waite, Jr., Southboro, Mass., in place of C. A. Torcoletti, removed.

Frank Baldwin, South Wellfleet, Mass., in place of S. P. Taylor, resigned.

MICHIGAN

Robert C. Steger, Lathrup Village, Mich., office established March 1, 1956

Albert H. Manley, Midland, Mich., in place of B. E. Voorhees, Jr., resigned.

MINNESOTA

Esther M. Nelson, Babbitt, Minn., E. J. Shega, resigned.

Harold O. Turbenson, Silver Bay, Minn., in place of F. V. Erickson, resigned.

MISSISSIPPI

Charles W. Erwin, Duncan, Miss., in place of B. J. Holt, retired.

MISSOURI

Gladys I. Woods, Blythedale, Mo., in place of C. M. VanHoozer, retired.

NEBRASKA

Walter D. Yokley, Genoa, Nebr., in place of A. D. Irish, transferred.

NEW JERSEY

Carl A. Brueckner, Allenhurst, N.J., in place of A. G. King, deceased.

James P. DeMaio, Sr., Cedar Grove, N.J., in place of O. P. Jacobus, retired.

NEW YORK

Robert C. Haring, Groton, N.Y., in place of C. R. Gleason, retired.

Kenneth A. Hotaling, New Paltz, N.Y., in place of C. S. VanValkenburgh, Jr., resigned.

Elsie J. Barber, Pine Bush, N.Y., in place of G. H. Stanton, retired.

NORTH CAROLINA

James A. Rooks, Jr., Brunswick, N.C., in place of Redden Gaskin, retired.

Bonnie L. Mason, Holly Ridge, N.C., in place of C. C. Hines, Jr., deceased.

Rose M. McMillan, Parkton, N.C., in place of V. D. Martin, retired.

NORTH DAKOTA

Lesie G. Freese, Beach, N. Dak., in place of A. J. Gilman, retired.

Lillian E. Johnson, Horace, N. Dak., in place of C. H. Thue, retired.

Berthold E. Sackman, West Fargo, N. Dak., in place of K. A. Peterson, deceased.

OKLAHOMA

Minnie E. Kocher, Avant, Okla., in place of H. F. R. Higdon, deceased.

PENNSYLVANIA

Augustus T. Archfield, Devon, Pa., in place of J. F. Woodruff, transferred.

Thomas S. Duncan, Edinburg, Pa., in place of R. E. Raub, retired.

David G. Riggle, Ligonier, Pa., in place of C. F. Cairns, retired.

Homer G. Jeffries, Marion Center, Pa., in place of R. M. Dodson, retired.

Grace E. Miller, Williamsburg, Pa., in place of J. G. Butler, resigned.

SOUTH DAKOTA

Wayne E. Hansen, Mount Vernon, S. Dak., in place of L. W. Malde, transferred.

TEXAS

Clemmie W. Woodard, Azle, Tex., in place of E. G. Parker, retired.

Wayne H. Lowrance, Denton, Tex., in place of M. D. Pendry, deceased.

VERMONT

Alfred E. Turner, Saint Johnsbury Center, Vt., in place of E. H. Chase, retired.

WEST VIRGINIA

Raymond A. Addis, Superior, W. Va., in place of S. L. Sinnett, retired.

WISCONSIN

Robert L. Mink, Clyman, Wis., in place of G. C. Stanton, retired.

Roy A. McMahon, Pardeeville, Wis., in place of M. J. Potratz, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 27, 1960:

NATIONAL SCIENCE BOARD

To be members of the National Science Board, National Science Foundation, for a term of 6 years expiring May 10, 1966

Theodore M. Hesburgh, of Indiana.
William V. Houston, of Texas.
Joseph C. Morris, of Louisiana.
William W. Rubey, of Maryland.
Glenn T. Seaborg, of California.
William O. Baker, of New Jersey.
Conrad A. Elvehjem, of Wisconsin.
Eric A. Walker, of Pennsylvania.

Rufus E. Clement, of Georgia, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1962.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 27, 1960:

POSTMASTERS

William F. Anderson to be postmaster at Allandale, in the State of New Jersey.

E. Herman Evans to be postmaster at Fort Gibson, in the State of Oklahoma.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 27, 1960

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.*

Almighty and ever-blessed God, may we accept this new day as a beautiful gift from Thy hand and a glorious opportunity for heroic endeavor to serve Thee and our generation faithfully.

Grant that we may be wiser today because of the failures of yesterday and more trustful when we are assailed by fears which darken our way and dwarf our capacities.

We humbly acknowledge that we often allow ourselves to become cushioned in complacency and are frequently indifferent to life's tremendous obligations and responsibilities.

Teach us to discern Thy will more clearly, to walk circumspectly and to carry on with an intrepid spirit when the winds are contrary and the road is rough and beset by the most formidable obstacles.

Hear us in the name of our Lord and Master who knows the way and who will never forsake us. Amen.

THE JOURNAL

The Journal of the proceedings of Saturday, June 25, 1960, was read and approved.

WORK PLANS, WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

JUNE 25, 1960.

Hon. SAM RAYBURN,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works has approved the work plans transmitted to you which were referred to this committee. The work plans involved are given below.

Sincerely yours,

CHARLES A. BUCKLEY,
Member of Congress, Chairman, Committee on Public Works.

State	Watershed	Executive Communication No.	Committee approval
Kansas	Upper Verdigris	1964	June 9, 1960
Tennessee and Kentucky	Reelfoot-Indian Creek	2183	Do.
Texas	Olmitos and Garcias Creeks	2183	Do.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman will take ample time to explain what happened in the conference; is that correct?

Mr. MILLS. That is the purpose, I will say to the gentleman.

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

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2005)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12381) to increase for 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 301. INVESTIGATION OF, AND REPORTS ON, TREATMENT OF ENTERTAINMENT AND CERTAIN OTHER EXPENSES.

"(a) INVESTIGATION AND REPORT BY JOINT COMMITTEE ON INTERNAL REVENUE TAXATION.—The Joint Committee on Internal Revenue Taxation is hereby authorized and directed to make a full and complete investigation and study of the operation and effects of present law, regulations, and practices relating to the deduction, as ordinary and necessary business expenses, of expenses for entertainment, gifts, dues or initiation fees in social, athletic, or sporting clubs or organizations, and similar or related items. The joint committee shall report to the House of Representatives and to the Senate the results of its investigation and study as soon as practicable during the 87th Congress, together with its recommendations for any changes in the law and administrative practices which in its judgment are necessary or appropriate.

"(b) REPORT BY SECRETARY OF THE TREASURY.—The Secretary of the Treasury is hereby authorized and directed to report as soon as practicable during the 87th Congress to the House of Representatives and to the Senate the results of the enforcement program of the Internal Revenue Service (announced in Technical Information Release 221, dated April 4, 1960) relating to the deductions, as ordinary and necessary business expenses, of expenses for entertainment, travel, yachts, hunting lodges, club dues, and similar or related items, together with such recommendations with respect thereto as he considers necessary or appropriate to avoid misuse of the business expense deduction.

"(c) CONSULTATION OF STAFFS.—The staff of the Joint Committee on Internal Revenue Taxation, and the staff of the Secretary of the Treasury, shall consult and cooperate with each other in performing any duties assigned to carry out the purposes of this section."

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 302. DEPLETION RATE FOR CERTAIN CLAYS; TREATMENT PROCESSES CONSIDERED AS MINING FOR COMPUTING PERCENTAGE DEPLETION IN THE CASE OF MINERALS AND ORES

"(a) DEPLETION RATE FOR CERTAIN CLAYS.—Subsection (b) of section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion rates) is amended as follows:

"(1) Paragraph (3) is amended to read as follows:

"'(3) 15 percent—

"'(A) metal mines (if paragraph (2)(B) does not apply), rock asphalt, and vermiculite; and

"'(B) if paragraph (5)(B) does not apply, ball clay, bentonite, china clay, sagger clay, and clay used or sold for use for purposes dependent on its refractory properties.'

"(2) Paragraph (5) is amended to read as follows:

"'(5) 5 percent—

"'(A) gravel, mollusk shells (including clam shells and oyster shells), peat, pumice, sand, scoria, shale, and stone, except stone described in paragraph (6);

"'(B) clay used, or sold for use, in the manufacture of building or paving brick, drainage and roofing tile, sewer pipe, flower pots, and kindred products; and

"'(C) if from brine wells—bromine, calcium chloride, and magnesium chloride.'

"(3) Paragraph (6) is amended by striking 'refractory and fire clay,'.

"(b) TREATMENT PROCESSES CONSIDERED AS MINING.—Subsection (c) of section 613 of the Internal Revenue Code of 1954 (relating to the definition of gross income from property) is amended as follows:

"(1) By amending paragraph (2) to read as follows:

"'(2) MINING.—The term "mining" includes not merely the extraction of the ores or minerals from the ground but also the