not to be the subject matter of any judicial action or proceeding. There shall be deducted from each such deposit 5 per centum thereof for expenses incurred by the Foreign Claims Settlement Commission and by the Treasury Department in the administration of title II of the War Claims Act of 1948. Such deductions shall be made before any payment is made pursuant to such title. All amounts so deducted shall be covered into the Treasury to the credit of miscellaneous receipts."

On page 7, following line 17, insert the following:

"(f) losses resulting from the removal of industrial or other capital equipment in Germany owned, directly or indirectly, by a national of the United States on the date of removal and removed for the purpose of reparations including losses from any destruction of property incident to such destruction."

On page 18, following line 10, add a new section 6 to read as follows:

"SEC. 6. Section 9(a) of the Trading With the Enemy Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: *'Provided further*, That upon a determination made by the President, in time of war or during any national emergency declared by the President, that the interest and welfare of the United States require the sale of any property or interest or any part thereof claimed in any suit filed under this subsection and pending on or after the date of enactment of this proviso the Alien Property Custodian or any successor officer or agency may sell such property or interest or part thereof, in conformity with law applicable to sales of property by him, at any time prior to the entry of final judgment in such suit. No such sale shall be made until thirty days have passed after the publication of notice in the Federal Register of the intention to sell. The net proceeds of any such sale shall be deposited in a special account established in the Treasury, and shall be held in trust by the Secretary of the Treasury pending the entry of final judgment in such suit. Any recovery of any claimant in such suit in respect of the property or interest or part thereof so sold shall be satisfied from the net proceeds of such sale unless such claimant, within sixty days after receipt of the notice of the amount of net proceeds of sale serves upon the Alien Property Custodian, or any successor officer or agency, and files with the court an election to waive all claims to the net proceeds, or any part thereof, and to claim just compensation instead. If the court finds that the claimant has established an interest, right, or title in any property in respect of which such an election has been served and filed, it shall proceed to determine the amount which will constitute just compensation for such interest, right, or title, and shall order payment to the claimant of the amount so determined. An order for the payment of just compensation hereunder shall be a judgment against the United States and shall be payable first from the net proceeds of the sale in an amount not to exceed the amount the claimant would have received had he elected to accept his proportionate part of the net proceeds of the sale and the balance, if any, shall be payable in the same manner as are judgments in cases arising under section 1346 of title 28, United States Code. The Alien Property Custodian or any successor officer or agency, shall, immediately upon the entry of final judgment, notify the Secretary of the Treasury of the determination by final judgment of the claimant's interest and right to the proportionate part of the net proceeds from the sale, and the final determination by judgment of the amount of just compensation in the event the claimant has elected to recover just compensation for the interest in the property he claimed.'"

On page 18, line 11, renumber section 6, as section 7.

On page 18, following line 15, strike out the text of the amended title and insert: "An act to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, and to amend the Trading With the Enemy Act, as amended."

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. THURMOND. Mr. President, under the order previously entered, I move that the Senate adjourn until 10 o'clock a.m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 34 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow Wednesday, August 31, 1960, at 10 o'clock a.m.

WITHDRAWALS

Executive nominations withdrawn from the Senate August 30 (legislative day of August 24), 1960:

POSTMASTERS

Mrs. Cecile M. Hill to be postmaster at Tok, in the State of Alaska.

Mrs. Florabelle Rominger to be postmaster at Bangor, in the State of California.

Donald E. Trees to be postmaster at Armstrong, in the State of Iowa.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 30, 1960

The House met at 12 o'clock noon.

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

Psalm 55: 22: *Cast thy burden upon the Lord, and He shall sustain thee.*

O Thou Lord God omnipotent, may we daily unburden ourselves humbly and reverently to Thy listening ear and understanding heart for Thou alone canst supply all our temporal needs and satisfy our eternal longings.

We penitently confess that we so frequently fail to see life in its true perspective and are tempted to enter upon the duties and responsibilities of a new day with fear and foreboding.

Grant that we may appropriate Thy overtures of friendship more courageously and avail ourselves more eagerly of those moral and spiritual resources which Thou hast placed at our disposal to sustain us.

Hear us in the name of our Master. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 11561. An act to authorize and direct the Secretary of the Army to convey part of lock and dam No. 10, Kentucky River, Madison County, Ky., to the Pioneer National Monument Association for use as part of a historic site; and

H.R. 13053. An act to increase the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, the U.S. Park Police, the White House Police, and for other purposes.

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

S. 3258. An act to amend the District of Columbia Alcoholic Beverage Control Act.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1870. An act to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes; and

S. 3648. An act to authorize the Commissioners of the District of Columbia on behalf of the United States, to transfer from the United States to the District of Columbia Redevelopment Land Agency title to certain real property in said District.

WATERSHED PROTECTION AND FLOOD PREVENTION PROJECTS

The SPEAKER. The Chair laid before the House the following communication which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C., August 29, 1960.

Hon SAM RAYBURN,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communications 2394 and 2306 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

State	Watershed	Exec. Comm.
Texas	Kickapoo Creek	2394
Oklahoma	Timber Creek	2394
Maryland	Long Marsh	2394
Virginia	Beaver Creek	2306
New Mexico	Upper Gila Valley	2306
Mississippi	Bentonia	2306
Hawaii	Waianae Nui	2306
Georgia	Sandy Creek	2306
Colorado	Franktown-Parker tributaries of Cherry Creek.	2306

Sincerely yours,
HAROLD D. COOLEY,
Chairman.

SUBCOMMITTEE ON ELECTIONS, COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may sit during general debate today.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

There was no objection.

SUPPLEMENTAL APPROPRIATIONS, 1961

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13161) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes, with amendments of the Senate thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

Mr. GROSS. Reserving the right to object, I understand this is a request to send to conference the supplemental appropriation bill.

Mr. THOMAS. That is correct.

Mr. GROSS. Then, I think a little review of this situation is in order.

Mr. THOMAS. I think the question is timely, and I am glad the gentleman asked the question.

Mr. GROSS. If I remember correctly, on last Friday the House had before it and adopted the conference report on the foreign aid bill.

Mr. THOMAS. Let me review it briefly for the gentleman.

Mr. GROSS. Just a moment. The House had before it the conference report on the foreign aid bill, and that report was the product of a free and untrammeled conference between the House and Senate. Is that correct?

Mr. THOMAS. Yes.

Mr. GROSS. Then about an hour and a half later the gentleman from Texas called up the deficiency appropriation bill. Is that correct?

Mr. THOMAS. That is correct.

Mr. GROSS. That was sent to the other body only last Friday and yesterday afternoon it was messaged back with some $190 or $200 million added to it.

Mr. THOMAS. $215 million, in round figures, was added by the other body.

Mr. GROSS. Practically all of which should have been in the foreign aid bill if it was to be appropriated at all.

Mr. THOMAS. $190 million of it was in the foreign aid bill.

Mr. GROSS. I ask the gentleman this question: Why was not this money put in the bill when the conference was held on the mutual security bill?

Mr. THOMAS. The gentleman is asking me a question I cannot answer. Let me explain what the facts are and what we are up against. I might say I am in sympathy with the position of the gentleman from Iowa. We had a budget estimate—I am referring to the deficiency bill, covering some 40 items, $118 million. The House reduced that amount to about $90 million. Then the other body meets and they add about $215 million over and above the $90 million as it left the House, some 35 or 40 additional amendments. Of that $215 million $190 million was for the mutual security program. What we are seeking to do here is to go to conference, and we will inquire why it is the other body will march up the hill one day and down the hill the next day to the tune of $190 million.

Mr. GROSS. Your subcommittee which is in charge of the deficiency appropriation bill never held a single day's hearings on the appropriation for mutual security, did you?

Mr. THOMAS. Technically you are right. We discussed the items yesterday with the Under Secretary of the State Department, Mr. Dillon, but that covered the sum and substance of it.

Mr. GROSS. This is the strangest proceeding I have heard of in my time in the House. We have before us today a deficiency appropriation bill and it is in such shape that one of the most distinguished and veteran Members of the other body declined to serve as a conferee, saying in effect that he would be ashamed to face the Members of the House in defense of what had transpired in the Chamber in which he serves.

Mr. THOMAS. May I say to the distinguished gentleman that he is 100 percent correct in everything he has said. Of course the House has not passed on the actions of the other body. The purpose of the conference is to give the House an opportunity to be heard. I hope the distinguished gentleman will uphold the hands of the House.

Mr. GROSS. I yield to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Speaker, it has been my great privilege to serve as chairman of the Foreign Operations Subcommittee for 6 years. I think perhaps I can contribute something to the matter under consideration.

The subcommittee, and at a subsequent date, the full committee, and at another date, the House approved the action of the subcommittee and the full committee. It was my privilege to take the bill to conference last Thursday. We made substantial concessions, brought the bill back $131,850,000 above the original House bill. The total called for was $490 million more than we appropriated last year. There was complete agreement with two or three reservations. Inasmuch as I have spent 6 years on this matter, took 10,000 pages of transcript this year, having had the support of the full committee and the House on two occasions, and inasmuch as not a single member of the Deficiency Appropriations Subcommittee has asked me one single question about one single item in this bill, I do not believe that the subcommittee intends to allow one additional dime or intends for any of the language to be amended. I could not imagine the members of this subcommittee going to conference on this bill to put back what we agreed to take out last Thursday without at least consulting some member of the subcommittee that has been holding hearings for years.

I am just as confused as the gentleman from Iowa. I do not believe that the House would ever reverse its decision, but on that we will just have to wait see.

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

Mr. GROSS. I yield to the gentleman from Virginia, a ranking member of Appropriations Subcommittee which spent many long weeks in hearings on the foreign aid bill.

Mr. GARY. May I say to the gentleman that there is far more involved in these proceedings than mere dollars. Using the slang of the day, $190 million "ain't hay"; it is a considerable sum of money, But the integrity of the committee system in the House of Representatives and in the Congress of the United States is at stake in these proceedings.

Our subcommittee has sat day after day, week after week, month after month hearing numerous witnesses form various parts of the world on foreign aid. Our members have traveled extensively gathering information. We brought in what we believed was a fair bill. The House adopted that bill. It went over to the other body. It was increased. Then according to regular parliamentary procedure and the rules of both bodies, we went into conference with the other body and we reached a fair and impartial compromise in the conference committee, agreed to in writing by both the Senate and the House conferees. The conference report was adopted by this body and also by the Senate. Subsequently the Senate put back every dollar that had been deleted in the conference, put it back in this bill.

The gentleman is correctly informed, according to my information, that one of the conferees of the Senate felt that this was such an improper action that he absolutely refused to sit on another conference on this bill. I feel that the integrity of the entire system is involved. If the House yields 1 inch in this matter I think it will be disastrous to our entire congressional system of procedure.

Mr. GROSS. I thank the gentleman.

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

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

Mr. PASSMAN. I wish to clear up a possible misunderstanding. I did mention to each of the five conferees who will represent the House, the principle involved, but not the details of the bill. I have not discussed it with the leadership on either side or the leadership in the other body. I did discuss the principle involved with the five members who I assume will be the conferees on the part of the House, but not the details of the bill in any respect.

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

Mr. GROSS. I yield.

Mr. THOMAS. Mr. Speaker, may I assure the House that your House conferees will demand a very complete and a very adequate answer from the other body as to why they marched up the hill one day and marched down the hill the next day. I assure you we will do that.

Mr. PASSMAN. I want to assure the Members of the House that if I am given the same amount of time that was awarded Mr. Dillon yesterday morning, and if I cannot refute what Secretary Dillon has said and what Mr. Murphy has said and what the Members on the other side have said, if I cannot refute

that successfully I will withdraw my objection and support their position. If I cannot do that I should no longer serve as chairman of the subcommittee, but I do ask an opportunity to explain to the House something about this matter and how we are being run out on in connection with a sound agreement we obtained last Thursday and approved by this House last Friday.

Mr. GROSS. This is a thoroughly unwarranted and in many respects a shameful proceeding. Mr. Speaker, I must object.

Mr. THOMAS. Mr. Speaker, may I ask the gentleman from Iowa to let this bill go to conference. There is a good deal involved in this matter, a good deal involved besides dollars and cents. I do hope that our distinguished friend will let this bill go to conference so that we can work out the entire 86 items in disagreement to the satisfaction of the membership of the House. I sincerely hope my friend will not object. Let us get this thing to conference and get out of here.

Mr. GROSS. That is the point I have been trying to make. The sum of $190 million is important but of equal importance is the integrity of the House and its committees.

Mr. THOMAS. Yes; it is.

Mr. GROSS. The situation with which we are faced clearly violates the orderly procedures of the House.

Mr. THOMAS. I hope our friend will trust our judgment. I agree with the gentleman, and there is a lot to what he said.

Mr. GROSS. I understand the gentleman cannot commit the conferees on the part of the House, but with the assurance of the gentleman that the sentiment he has expressed will be brought into full play in conference, I withdraw my objection.

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

There was no objection, and the Chair appointed the following conferees: Messrs. THOMAS, KIRWAN, CANNON, JENSEN, and TABER.

OPERATION VERACITY

Mr. RHODES of Arizona. Mr. Speaker, this is the second day in Operation Veracity.

Yesterday, in a special order, we exposed numerous misstatements in the Democrat platform. In a special order later today, we shall expose still more.

But here is a quick one. The Democrat platform states that the Republicans have reduced "outlays for essential public services which directly benefit our people."

What do the platform writers mean by outlays for essential public services?

Outlays for natural resources? Such outlays have been increased 27 percent under this administration.

Do they mean outlays for veterans? These have been increased 28 percent.

In matters of health, the Eisenhower-Nixon administration has 13 concrete accomplishments to point to, which I have inserted in the CONGRESSIONAL RECORD. They surely do not mean health.

Mr. Speaker, with the lack of further qualification, it is only natural to question the accuracy of this Democrat platform statement.

AMENDING COMMUNICATIONS ACT OF 1934 WITH RESPECT TO THE PROCEDURE IN OBTAINING A LICENSE AND FOR REHEARINGS UNDER SUCH ACT

Mr. HARRIS. Mr. Speaker, I call up from the Speaker's desk the bill (S. 1898) to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act, with Senate amendments thereto to the House amendments, and ask for its immediate consideration.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 14, line 4, strike out "SUSPENSION, REVOCATION," and insert "REVOCATION".

Page 14, line 6, strike out "(a) Section" and insert "Subsections (a) and (b) of section".

Page 14, line 7, strike out "is" and insert "are".

Page 14, line 23, after "any" insert "final".

Page 15, line 10, strike out "action." and insert "action.' "

Page 15, strike out all after line 10 over to and including page 17.

Page 18, strike out lines 8 to 24, inclusive, and insert:

"'(b)(1) Any licensee or permittee of a broadcast station who—

"'(A) willfully or repeatedly fails to operate such station substantially as set forth in his license or permit,

"'(B) willfully or repeatedly fails to observe any of the provisions of this Act or of any rule or regulation of the Commission prescribed under authority of this Act or under authority of any treaty ratified by the United States,

"'(C) fails to observe any final cease and desist order issued by the Commission,

"'(D) violates section 317(c) or section 509(a)(4) of this Act, or

"'(E) violates section 1304, 1343, or 1464 of title 18 of the United States Code, shall forfeit to the United States a sum not to exceed $1,000. Each day during which such violation occurs shall constitute a separate offense. Such forfeiture shall be in addition to any other penalty provided by this Act.

"'(2) No forfeiture liability under paragraph (1) of this subsection (b) shall attach unless a written notice of apparent liability shall have been issued by the Commission and such notice has been received by the licensee or permittee or the Commission shall have sent such notice by registered or certified mail to the last known address of the licensee or permittee. A licensee or permittee so notified shall be granted an opportunity to show in writing, within such reasonable period as the Commission shall by regulations prescribe, why he should not be held liable. A notice issued under this paragraph shall not be valid unless it sets forth the date, facts, and nature of the act or omission with which the licensee or permittee is charged and specifically identifies the particular provision or provisions of the law, rule, or regulation or the license, permit, or cease and desist order involved.

"'(3) No forfeiture liability under paragraph (1) of this subsection (b) shall attach for any violation occurring more than one year prior to the date of issuance of the notice of apparent liability and in no event shall the forfeiture imposed for the acts or omissions set forth in any notice of apparent liability exceed $10,000.'

"(b) Section 504(a) of the Communications Act of 1934 (47 U.S.C. 504) is amended by inserting after *'Provided,'* in the first sentence thereof the following: 'That any suit for the recovery of a forfeiture imposed pursuant to the provisions of this Act shall be a trial de novo: *Provided further,'*.

"(c) Section 504(b) of such Act is amended by striking out 'section 507' and inserting in lieu thereof 'sections 503(b) and 507'.

"(d) Section 504 of such Act is further amended by adding a new subsection to read as follows:

"'(c) In any case where the Commission issues a notice of apparent liability looking toward the imposition of a forfeiture under this Act, that fact shall not be used, in any other proceeding before the Commission, to the prejudice of the person to whom such notice was issued, unless (i) the forfeiture has been paid, or (ii) a court of competent jurisdiction has ordered payment of such forfeiture, and such order has become final.' "

Page 22, line 12, strike out all after "317." down to and including "section." in line 14 and insert:

"(e) The inclusion in the program of the announcement required by section 317 shall constitute the disclosure required by this section."

Page 22, line 15, strike out "(e)" and insert: "(f)".

Page 22, line 25, strike out "(f)" and insert "(g)".

Amend the title so as to read: "An act to promote the public interest by amending the Communications Act of 1934, to provide a pre-grant procedure in case of certain applications; to impose limitations on payoffs between applicants; to require disclosure of payments made for the broadcasting of certain matter; to grant authority to impose forfeitures in the broadcast service; and to prohibit deceptive practices in contests of intellectual knowledge, skill, or chance; and for other purposes."

Mr. HARRIS. Mr. Speaker, I send a motion to the Clerk's desk.

The Clerk read as follows:

Mr. HARRIS moves that the House concur in the Senate amendments to the House amendments.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, I propound a parliamentary inquiry as to the request of the gentleman from Arkansas. I had no information this request was going to be made and I do not know what the request is.

The SPEAKER. The gentleman from Arkansas can explain what it is.

Mr. HARRIS. I shall be glad to explain the parliamentary inquiry. As I understand, Mr. Speaker, I have an hour now.

The SPEAKER. If the gentleman desires to take that much time, yes.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. I would like to know what the request of the gentleman was, whether it was for the immediate consideration of the Senate amendments.

The SPEAKER. The gentleman called up from the Speaker's table a Senate bill

with Senate amendments to the House amendments.

Mr. HARRIS. If the gentleman will permit, I will explain the amendments, and I yield myself 10 minutes.

Mr. Speaker, the bill which I have just called up is one that we have had before the House. It is a Senate bill which was amended by the House to include such matters as pregrant procedure with reference to the Federal Communications Act, the so-called payola requirement, amendment to section 317, deceptive practices problems, and so forth. I would like to describe what this is.

After the bill went back to the other body it was amended in two instances and has come back to us with those amendments thereto. I have asked to take from the Speaker's desk the bill with Senate amendments and moved that the House concur in the Senate amendments, which will finalize and complete the bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, if the gentleman will yield, what did the amendments do? That is what we want to know.

Mr. HARRIS. Well, I am just about to explain to the gentleman that I thought the procedure that the gentleman from Indiana would like to have was important.

I might say that the members of the committee have been advised that this motion was going to be made as of yesterday, and everyone on the committee has been notified that this action would be taken today.

Mr. HALLECK. I might say to the gentleman, as I understand under the parliamentary situation, it is now a matter before the House to be acted upon one way or the other and that no objection could be made. I have learned since the gentleman called it up that the members on my side on the committee were consulted with reference to this procedure, and as I understand have no objection to it now.

Mr. HARRIS. That is true, with the exception of the ranking minority member whom I advised personally that it would be called up today, and he wanted some time. I hope he was notified so that he will come in right away.

Mr. Speaker, this motion today is in further consideration of S. 1898, which has to do with amending the Federal Communications Act to close some of the loopholes and bring about some correction badly needed, which resulted from the investigation by our Special Committee on Legislative Oversight.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD immediately preceding the portion of the RECORD when this bill was brought up.

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

There was no objection.

Mr. HARRIS. Mr. Speaker, the Members are familiar with the legislation as it passed the House because I took considerable time explaining what the committee had done. As you will recall, this bill as passed by the Senate dealt exclusively with the pregrant procedure in connection with the licensing of broadcasting facilities. Our committee amended the bill in several ways. As a matter of fact, there were five major amendments dealing with the problems which I explained very carefully at that time.

The bill went back to the other body. As you recall, during the debate, there were two provisions of the bill about which many Members raised questions. One had to do with the suspension provision authorizing the Federal Communications Commission under certain conditions to suspend a broadcasting license for not to exceed 10 days. In other words, it provided a lesser penalty than revocation—the so-called death penalty—which has been a part of the Communications Act from the beginning.

Another provision about which great concern was expressed was the forfeiture provision, which gives the Federal Communications Commission authority to levy a fine on broadcasters for violations of the Communications Act and the Commission's rules.

Those were the only two provisions of the bill as it passed the House concerning which any questions have been raised. The Senate, when it received the bill, amended only those two provisions. So we come back now and ask the House to concur in the action of the Senate.

The principal amendments proposed in the Senate were to eliminate completely the power to suspend licenses for a brief period of time, to wit, 10 days.

The changes made by the Senate in the forfeiture section—section 7 of the bill—are as follows:

In the first place, the Senate amendment provides that in no event shall the forfeiture imposed for any act or omission exceed $10,000. The House-passed bill contains no such limitation.

Second, the Senate amendment provides that the Notice of Apparent Liability which the Commission is required to send to the licensee shall set forth the date, facts, and nature of the act or omission with which the licensee is charged and shall specifically identify the particular provision of the law, rule, or regulation, or the particular provision of the license or cease-and-desist order involved so that the licensee is properly advised with respect to the violation with which he is charged.

Furthermore, under the Senate amendment the licensee so notified is granted an opportunity to show in writing, within such reasonable period as the Commission shall by regulation prescribe, why he should not be held liable.

The Senate amendment substitutes the words "willfully or repeatedly" for the words "negligently or intentionally," contained in the bill as passed by the House. Because of this change it became necessary to refer specifically to violations of section 317(c) or section 509(a)(4) which impose an obligation to exercise reasonable diligence on licensees with respect to payola and deceptive practices. A requirement that violations of these two sections must have been either willful or repeated would be tantamount to making unavailable the forfeiture sanction in the case of violations of these two sections which are being added to the Communications Act by this legislation.

The Senate amendment provides specifically that any suit for recovery of a forfeiture shall be a trial de novo. It was the understanding of our committee that such suits traditionally are trials de novo and, therefore, I am glad to see that this has been specifically spelled out in the Senate amendment. The committee inquired of the FCC and the FAA with respect to such suits under present law and received the following information from them:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., July 13, 1960.

Hon. OREN HARRIS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HARRIS: This is in reply to your letter of July 1, 1960, requesting a memorandum setting forth the procedures followed by the Commission together with the rights of persons upon whom forfeitures are imposed to obtain judicial review of the Commission's decision imposing the forfeiture.

Section 6 of S. 1898 would amend the Communications Act to provide for forfeitures similar to those now applying to vessels involved in violations of the Communications Act, title III, parts II and III and section 507. (See, especially, 47 United States Code secs. 364, 386, and 507, appended hereto.)

The procedure followed by the Commission when it receives information of an apparent violation of the Communications Act by a vessel is set out in section 1.581 of the Commission's rules (title 47 Code of Federal Regulations sec. 1.581) which provides as follows:

"§ 1.581 Forfeitures against ships and ship masters.

"(a) Whenever information is received indicating that reasonable grounds exist to support a suit for collection of forfeitures provided by sections 364, 386, and 507 of the Communications Act of 1934, as amended, the owner of the ship and the master will be notified of apparent liability for forfeitures. The notification will specify dates, places, and the nature of the alleged violations or irregularities, and will advise the parties of the Commission's authority under section 504(b) of the act to remit or mitigate such forfeitures upon application therefor. Applications for mitigation or remission may be filed within 30 days from the date of receipt of the notification letter, or within such extended time as may for good cause be granted. The application must be in duplicate but need not follow any special form. After a review of the case in the light of all the information available, including the information and arguments presented in the application, the applicant will be notified of the determination, which may be either remission of the entire amount, an offer of mitigation of the forfeiture to the extent which appears warranted under the circumstances, or denial of any relief.

"(b) Acceptance of an offer of mitigation may be accomplished through payment, within 30 days from the date of receipt of the notification, of the amount specified therein by check or similar means drawn to the order of the Treasurer of the United States and mailed to the Commission.

"(c) In lieu of acceptance of an offer of mitigation, or in the event of denial of relief, application may be made within 30 days from the date of receipt of the notification for review by the Commission as provided in section 5(d)(2) of the act. The application should set forth the reasons for applicant's belief that the original action on his application should be modified. It may include

a statement of any material facts that may have been omitted from the original application for relief. On review the Commission may affirm, modify, or set aside the previous action, or direct any further proceedings that appear necessary and in the public interest.

"(d) If the applicant fails to take any action in respect to a notification of apparent liability for forfeiture or an offer of mitigation or a notification of denial of relief, the case may be referred by the Commission to the Attorney General of the United States for appropriate civil action to recover the forfeiture in accordance with the provisions of section 504(a) of the act."

As section 1.581 states, if the person incurring the forfeiture persists in his refusal to pay the forfeiture the matter is referred to the Department of Justice for recovery of the forfeiture under section 504 of the act. If a civil or libel action should be commenced the persons incurring the forfeitures are entitled to a trial de novo in a court of law before being finally required to pay.

Since the forfeiture provisions of section 6 of S. 1898 are to be incorporated in sections 503 and 504 of the Communications Act which already apply to established Commission forfeiture proceedings, we are of the view that any forfeitures levied under S. 1898 would follow the same general procedural pattern as have been already established by the Commission in marine forfeiture cases. After the passage of S. 1898 a study will be made the Commission to determine the specific rules which should be adopted to implement congressional intent as expressed in the final version of the bill.

We hope that this information is sufficeint for your purposes. If it is not, please do not hesitate to request any further information which you would deem helpful.

Sincerely,

FREDERICK W. FORD,
Chairman.

APPENDIX

Communications Act of 1934, as amended (47 U.S.C. 151 et seq.):

"SEC. 364. The following forfeitures shall apply to this part, in addition to the penalties and forfeitures provided by title V of this Act:

"(a) Any ship that leaves or attempts to leave any harbor or port of the United States in violation of the provisions of this part, or the rules and regulations of the Commission made in pursuance thereof, or any ship of the United States that is navigated outside of any harbor or port in violation of any of the provisions of this part, or the rules and regulations of the Commission made in pursuance thereof, shall forfeit to the United States the sum of $500, recoverable by way of suit or libel. Each such departure or attempted departure, and in the case of a ship of the United States each day during which such navigation occurs shall constitute a separate offense.

"(b) Every willful failure on the part of the master of a ship of the United States to enforce or to comply with the provisions of this Act or the rules and regulations of the Commission as to equipment, operators, watches, or radio service shall cause him to forfeit to the United States the sum of $100.

"SEC. 386. The following forfeitures shall apply to this part in addition to penalties and forfeitures provided by title V of this Act:

"(a) Any vessel of the United States that is navigated in violation of the provisions of this part or of the rules and regulations of the Commission made in pursuance thereof shall forfeit to the United States the sum of $500 recoverable by way of suit or libel. Each day during which such navigation occurs shall constitute a separate offense.

"(b) Every willful failure on the part of the master of a vessel of the United States to enforce or to comply with the provisions of this part or the rules and regulations of the Commission made in pursuance thereof shall cause him to forfeit to the United States the sum of $100.

"SEC. 507. (a) Any vessel of the United States that is navigated in violation of the provisions of the Great Lakes Agreement or the rules and regulations of the Commission made in pursuance thereof and any vessel of a foreign country that is so navigated on waters under the jurisdiction of the United States shall forfeit to the United States the sum of $500 recoverable by way of suit or libel. Each day during which such navigation occurs shall constitute a separate offense.

"(b) Every willful failure on the part of the master of a vessel of the United States to enforce or to comply with the provisions of the Great Lakes Agreement or the rules and regulations of the Commission made in pursuance thereof shall cause him to forfeit to the United States the sum of $100."

FEDERAL AVIATION AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., July 15, 1960.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your letter dated July 1, 1960, in which you inquired as to the authority of the Federal Aviation Agency to impose forfeitures for violations of laws and regulations applicable to the Agency's operations. You also requested information as to the procedures used for imposing any such forfeitures, as well as the rights of persons to appeal forfeiture actions to the courts.

Under section 901 of the Federal Aviation Act of 1958 (49 USC 1471), persons who violate specified titles of the act, or any rule, regulation, or order issued thereunder are subject to a civil penalty not to exceed $1,000 for each violation, and the Administrator of the Federal Aviation Agency is authorized to compromise any such civil penalty. The section further provides that:

"(b) In case an aircraft is involved in such violation and the violation is by the owner or person in command of the aircraft, such aircraft shall be subject to lien for the penalty."

The procedure for collection of civil penalties which are not voluntarily compromised by the violator and the Administrator is contained in section 903(b), which provides:

"(b)(1) Any civil penalty imposed under this act may be collected by proceedings in personam against the person subject to the penalty and, in case the penalty is a lien, by proceedings in rem against the aircraft, or by either method alone. Such proceedings shall conform as nearly as may be to civil suits in admiralty, except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds $20, and the facts so tried shall not be reexamined other than in accordance with the rules of the common law. * * *

"(2) Any aircraft subject to such lien may be summarily seized by and placed in the custody of such persons as the Board or Administrator may by regulation prescribe, and a report of the cause shall thereupon be transmitted to the U.S. attorney for the judicial district in which the seizure is made. The U.S. attorney shall promptly institute proceedings for the enforcement of the lien or notify the Board or Administrator of his failure to so act.

"(3) The aircraft shall be released from such custody upon payment of the penalty or the amount agreed upon in compromise; or seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification of the U.S. attorney of failure to institute such proceedings; or deposit of a bond in such amount and with such sureties as the Board or Administrator may prescribe, conditioned upon the payment of the penalty or the amount agreed upon in compromise.

"(4) The Supreme Court of the United States, and under its direction other courts of the United States, may prescribe rules regulating such proceedings in any particular not provided by law."

You will observe that these provisions do not authorize the Administrator to initiate seizure and forfeiture actions in the nature of those provided for in the customs and immigration laws. He is empowered only to compromise liability for a civil penalty or, if the violator declines to pay, to refer the matter to a U.S. attorney for collection through civil suit.

You also inquire as to the procedure followed by this Agency. Violations of the Federal Aviation Act or of the regulations thereunder are investigated by FAA inspectors. If, in a particular case, the inspector's report and supporting statements and other evidence show that a violation, in fact, occurred and that a civil penalty should be imposed, the Agency sends a certified letter to the alleged violator, advising him of the circumstances of the incident, the sections of the act or the regulations allegedly violated, and the amount we would be willing to accept as a compromise settlement of the penalty.

The alleged violator is advised of his right to (1) furnish additional information in defense or mitigation of the charges, (2) request an informal hearing at the Federal Aviation Agency, at which time he, or his counsel, will have an opportunity to discuss the charges and the amount of any acceptable compromise offer, (3) submit the suggested offer in compromise, or (4) refuse to make a compromise settlement.

If an alleged violator fails to submit satisfactory evidence in answer to the charges, or if he does not prefer to effect a compromise settlement, the matter is then referred to the appropriate U.S. attorney where a suit is instituted in U.S. district court to collect a civil penalty. The court will determine, after trial, whether a violation has occurred, as well as the amount of the civil penalty, if any, to be imposed.

Although the Administrator is authorized to summarily seize an aircraft subject to a lien for violations under the act, the lien is possessory only, and such action is initiated only in a situation where it would be difficult or impossible to collect the penalty in any other way. Then, as provided in section 903(b) of the act, the U.S. attorney must institute proceedings for enforcement of the lien, and the aircraft must be released from custody upon payment of the civil penalty, or the amount agreed upon in compromise, or for one of the other reasons specified in section 903(b)(3).

Please advise if I may be of any further assistance to you in this matter.

Sincerely,

E. R. QUESADA,
Administrator.

Finally, the Senate amendment provides that the fact of the issuance of a notice of apparent liability shall not be used in any other proceeding before the Commission to the prejudice of the person to whom such notice was issued, unless the forfeiture has been paid or a court of competent jurisdiction has ordered payment of such forfeiture and such order has become final.

In summary, the changes made by the Senate in the forfeiture section are entirely satisfactory and in most respects merely spell out in greater detail what the House language sought to express in more general language.

Those are the particulars in which the Senate modified these two sections of the bill.

Actually it boils down to this: First, the Senate knocked out completely the suspension provision and secondly, the Senate amended the forfeiture provisions in a number of respects.

The amendments relating to the forfeiture provision do not change that provision in any basic respect. Consequently, the only important change which we have here deals with the suspension provision, about which great concern was expressed by several Members on the floor of the House. I may say that adoption of the Senate amendments would bring this bill in line with what some Members wanted at the time when it was originally before the House.

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

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman will recall I participated in the debate in support of the amendments to liberalize this rather restrictive authority given to the Communications Commission.

Mr. HARRIS. Yes; I recall the gentleman's great interest in that change.

Mr. BAILEY. May I ask the gentleman from Arkansas if he considers this more liberal treatment than was in the House bill? The Senate has gone even further than we went in that direction. Is that true?

Mr. HARRIS. The Senate has imposed a ceiling on forfeitures which may be imposed and there would be no suspension now at all under the Senate amendments with which we are trying to concur here.

Mr. BAILEY. I thank the gentleman.

Mr. HARRIS. The Senate amended the forfeiture provision so that the Commission can deal with those who violate provisions included in the bill relating to deceptive practices or who violate section 317 (c) of the act. Even though the penalty of forfeiture is not nearly as severe as the penalty of suspension, I think it would reach the problem, and the licensees are put on notice that they must observe those provisions of the law and discharge the responsibilities that are imposed on them by these provisions, or else be subject to a civil penalty which may be imposed by the Commission.

Mr. BAILEY. In the event this penalty still imposed resulted in a court trial, we will say in the U.S. court, what is the status of the broadcasting station or radio station? Is it permitted to operate?

Mr. HARRIS. There would be no interference with the station at all. It could go on operating without interruption. The licensee on whom a forfeiture is imposed could come in and say, "We are not guilty." Then the Federal Communications Commission would have to go to court to collect the forfeiture and it would have to prove that there was a violation.

Mr. BAILEY. In other words, it is a fine and not a forfeiture?

Mr. HARRIS. It is referred to as a forfeiture, a civil penalty, and that is the usual way in which the FCC and the FAA enforce compliance with their laws and regulations.

Mr. BAILEY. But the station does not have to be closed down?

Mr. HARRIS. No; not at all.

If I may continue with my statement on the Senate amendments, when the Senate committee proposed to amend the forfeiture provision and before they reported the bill, we discovered that there would be what I referred to as a windfall for the licensees with reference to two of the provisions of the bill that we passed. I called this to the attention of the Members of the other body and explained what would happen if their proposal would be accepted. They understood the problem, and they agreed that the broadcasters should not escape certain responsibilities imposed on them by this bill, so that they could close their eyes or turn their backs on a deceptive programing and payola practices that were going on. When we called this to their attention, they agreed to include a specific provision to that effect in the forfeiture section. That in turn caused me to agree to ask the House to accept the action of the Senate.

This provision is referred to on pages 9 and 10 of the Senate report which was issued August 19, 1960.

I would like to quote these two brief sentences from that report:

> Your committee specifically authorizes the imposition of a forfeiture where there is a violation of the amendment herein provided as section 317(c) which concerns the responsibility of a licensee to make an announcement with reference to certain matters that are broadcast, as well as the amendment added as section 509(a)4 which concerns the responsibility of a licensee to prohibit deceptive practices in cases of contests of intellectual knowledge, intellectual skill or chance.

In other words, the forfeiture provision will reach those provisions of the bill which resulted from our investigation over the last 3 years namely the provisions relating to payola and deceptive programs.

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

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

Mr. HIESTAND. Without any intention, Mr. Speaker, of objecting to the bill, I would like to ask the chairman a couple of questions having to do with making the record clear so far as the intent of the committee and the Congress is concerned. The first question is:

Theatrical motion pictures and television motion picture producers have arrangements with manufacturers with respect to the use of their product for motion picture production purposes. Some contracts have been in existence for many years; others are of more recent origin. Would the following type of arrangement be in violation of the proposed legislation and thus require the prescribed notice at the risk of incurring the $10,000 and/or 1-year imprisonment penalty?

For example, an automobile manufacturer has a written agreement with a motion picture producer whereby the automobile manufacturer will make available to the producer 10 motor vehicles of various kinds for its general use. The producer makes no payment for these automobiles which are returned annually and replaced with new automobiles, but does agree that when automobiles are needed for photographic purposes in conection with any theatrical or television motion picture, it will photograph automobiles manufactured by this automobile manufacturer, but without any attempt to emphasize or even necessarily show the brand name in connection with such usage.

Mr. HARRIS. The gentleman from California has been kind enough to submit these questions to me, and I have had an opportunity to examine and analyze them.

The question raised by the gentleman from California [Mr. HIESTAND] can be answered rather specifically, I think, by referring to the report of the Interstate and Foreign Commerce Committee—Report No. 1800, which accompanied the bill S. 1898.

In this report we set forth a number of specific examples in order to clarify the meaning of the general language contained in section 317 of this bill. Let me refer the gentleman to example No. 17 on page 22 of the report which reads as follows:

> An automobile manufacturer furnishes his identifiable current model car for use in a mystery program, and it is used by a detective to chase a villian. No anouncement is required. If it is understood, however, that the producer may keep the car for his personal use, an announcement would be required. Similarly, an announcement would be required if the car is loaned in exchange for a mention on the program beyond that reasonably related to its use, such as the villian saying: "If you hadn't had that speedy Chrysler, you never would have caught me."

It appears from the gentleman's question that the motor vehicles were made available to the producer for general use and not solely for use on the set in connection with the production of a motion picture. Under these circumstances an announcement would be required pursuant to section 317 and therefore the film producer would be required to furnish the necessary information to the network or broadcast licensee for whom the film is being produced.

Mr. HIESTAND. The second question is:

In addition to the arrangements of the nature illustrated by the foregoing example, there are other situations which permit a producer to put more value into its programs at no additional cost to the sponsor.

For example, a producer of motion pictures for theater and television may have a contract with a network providing that the producer will supply a series of television programs for a stated dollar cost. Among other terms of the agreement, the producer has the right to include a 30-second trailer—a preview of coming attractions—relating to a current theatrical release of the producer, and an announcement that such theatrical motion picture may soon be seen at the viewer's neighborhood theater.

Would such a provision in the contract have to be acknowledged at the close of each broadcast?

Mr. HARRIS. It is my considered opinion, with reference to that question,

that no special announcement will be required, since the content of the trailer itself would indicate that this is in the nature of a paid commercial.

In other words, it seems to me that section 317 does not require a special announcement to be made in those cases where it is clear from the matter broadcast itself that payment is ordinarily made for the broadcasting of such matter.

If Goodrich or Firestone, for example, buy a spot commercial for their tires, no announcement need to be made to the effect that Goodrich or Firestone have paid for these commercials. That is inherent in the commercial itself and it is the same with regard to an announcement that a certain film can be seen in the neighborhood theaters. The fact that it has been produced by the same producer who produced the film shown on television makes no difference, in my opinion.

I hope that these explanations will help to clear up the questions propounded by the gentleman from California.

Let me say, in addition, that Senator PASTORE, chairman of the Senate Interstate and Foreign Commerce Committee, has addressed a letter to the Federal Communications Commission and has been assured by the Commission that it would, in the near future, arrange informal conferences with interested parties to discuss what is a reasonable approach to the implementation of this bill. I have every confidence that the FCC is going to proceed with these conferences prior to issuing rules and regulations under this bill and many, if not most, of these problems will be worked out.

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

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. JENSEN. Referring to section 312, is the language in parts 3 and 4 identical with the language which the House acted on when the bill was before the House originally?

Mr. HARRIS. What does that deal with?

Mr. JENSEN. That deals with willful and repeated violations.

Mr. HARRIS. As I have explained, we would amend it if the House concurs in the Senate amendments.

Mr. JENSEN. You feel that is an improvement over what the House agreed to?

Mr. HARRIS. I think it is more acceptable to the broadcasters.

Mr. JENSEN. It will protect the small broadcasters?

Mr. HARRIS. I think it will amply do so.

The SPEAKER. The time of the gentleman from Arkansas has again expired.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Speaker, I opposed this bill when it was last before this body because I considered it woefully inadequate to remedy the abuses which were uncovered during the course of our hearings. Moreover, and perhaps more important, the bill places responsibility upon, and imposes sanctions against, the one who needs it the least, the individual station licensee. For practical purposes the networks of the country originate, produce and control the major part of all radio and television programing. The individual station licensee for the most part passes on to the viewing and listening public what is handed to him by the networks. Thus, while the networks virtually control the radio and television business and are broadcasters in every sense of the word, there is no provision in this bill or in present law which places any responsibility on them to operate in the public interest. The individual station owner is licensed and regulated. The big networks who hand the station licensee his programs remain free of any regulation or any legal obligation to operate in the public interest.

Mr. Speaker, we could have produced an effective, meaningful piece of legislation. The record of our committee contains more testimony and more evidence on the subject of network regulation than on any of the other matters covered in this bill. Regulation or licensing of the networks has been recommended by the Attorney General of the United States, the Federal Communications Commission and by our own Legislative Oversight Subcommittee. On the basis of the record before us it is a real sham and delusion to be legislating additional penalties against innocent individual station licensees while letting the real violators—the networks—go scot free. I am sure the American public will recognize this bill for what it is—a smoke screen to penalize the little fellow and let the big fellow get away.

Mr. Speaker, so that all the Members of the House might know what our committee record reveals, last month I requested the chief counsel of the Oversight Committee to prepare a memorandum setting forth in detail the evidence from the record and the reasoning which prompted our committee membership to make this unanimous recommendation. Mr. Speaker, I ask unanimous consent that the aforementioned memorandum be inserted in the RECORD immediately following my remarks.

The SPEAKER. Is there objection?

There was no objection.

The memorandum follows:

JULY 28, 1960.

To: Chairman HARRIS.
From: Robert W. Lishman.
Subject: Reasons for interim report recommendation that television networks should be licensed by the FCC.

In response to the July 8, 1960, written request of Hon. JOHN BENNETT, Member of Congress, this memorandum summarizes some of the reasons for the recommendation in our interim report[1] that networks be licensed by the FCC.

As you know, the original draft of the report did not contain the recommendation. You will recall that, after discussing it with me, you directed several changes in and additions to the draft. One of the additions was the network licensing recommendation. That recommendation, appearing on pages 38–39 of the report, is as follows:

"3. A new section should be added to the act requiring that radio and television networks be licensed and be subject to the regulations of the Federal Communications Commission for a term of not to exceed 3 years, with provisions for renewals thereof. The license and renewal should be conditioned upon a determination by the FCC after a hearing of record that the issuance or renewal is in the public interest. The section should also provide guidelines as to what constitutes the public interest as used in this section. Included in such guidelines should be a requirement prohibiting the network (a) from furnishing deceptive material to any radio or television station; (b) surrendering control of material to be broadcast to an advertiser, advertising agency, producer, or any person other than a licensee; (c) using any broadcasting facility, directly or indirectly, in promoting the sale or distribution of the product or service of any company or person in which it has any direct or indirect financial or beneficial interest; and (d) entering into any contract which would limit the ability of any station licensee to fulfill its responsibility to operate in the public interest."

As was disclosed in the subcommittee's hearings on television quiz programs and as has been pointed out in several Congressional studies and reports, there is no way whereby a licensee (i.e., under existing law, a TV station) can determine whether deception has gone into the production of a network program at its source. Most network programs, whether produced by a network itself, or by outsiders, originate in New York, Chicago or Hollywood. Under existing network affiliation contracts providing for "option time," especially in prime (evening) viewing hours, the licensee broadcasts pretty much what the network sends him. While legally he may not abdicate his responsibility to broadcast in the public interest by pleading the existence of an oppressive network affiliation agreement, the fact is that he broadcasts what is transmitted to him and the FCC knows it.[2]

It is common knowledge that the network, through its superior bargaining power and the threat it holds over every licensee of withdrawing affiliation, can effectively insist that an affiliate broadcast a heavy diet of network-originated programs. And despite their bargaining disadvantage, most affiliates are quite content with this arrangement which relieves them of the effort and expense of originating their own programs and carries several additional benefits (e.g., with respect to selling time to national advertisers) of network affiliation. These circumstances may not be ideal from the standpoint of a lofty interpretation of the public interest requirements of the Communications Act, but the licensees are also businessmen with obligations to their shareholders. So long as commercial broadcasting is financed by advertising dollars and under primary control of private businessmen, it is only realistic to recognize the concern of the licensee for his stockholders. Proposals to change the present system of financing television (e.g., subscription television and a competing Federal or federally-subsidized network) have not yet found wide favor.

Except for a few independent stations in large urban markets, TV licensees have viewed network affiliation as practically essential for economic survival. This is primarily for two reasons; the enormous costs of TV (as opposed to radio) programing and transmission and the relative (to radio) scarcity of frequencies available for commercial broadcasting. Since there are some 447 commercial VHF stations now licensed and in operation and only 3 important TV networks, the fact that affiliation is economically necessary to most licensees gives the networks tremendous bargaining leverage vis-a-vis stations. Indeed, former Senator John W. Bricker has referred to the "unprecedented economic stranglehold" of

[1] H. Rept. No. 1258, 86th Cong., 2d sess., Feb. 9, 1960.

[2] Cf. testimony of W. Theodore Pierson, Esquire in App. A, attached hereto.

the two major networks (NBC and CBS) over their affiliates.[3] Licensees are understandably reluctant to reject network programs or to take any other action that might tempt the network to look elsewhere for a local outlet. And while a few licensees chafe under such dominance, as suggested above most of them are apparently satisfied.[4]

When television quiz programs were most popular, and networks, licensees, advertisers, producers, etc., were waxing rich at the expense of a deluded viewing public, there was little disposition to question whether all was what it seemed to be.[5] Indeed, if licensees, the only group accountable under existing law, had desired to question the propriety of quiz show production, they would have had little or no opportunity to prove their suspicions. The hearing record contains testimony that even the networks, which had supervisory personnel present at the quiz shows, did not believe the charges of "fixing" when told.[6] Its representatives accepted at face value the false assurances of the producers that rigging charges made against the producers of "21" were untrue. There is also evidence that in other instances the CBS network made little or no investigation to ascertain the validity of "rigging" charges.[7]

The staff drew from the quiz hearings the general conclusion that the existing law, placing sole responsibility on licensees and none on networks qua networks, places responsibility where power to discharge it is lacking. This conclusion is reinforced by the fact that some 80 percent of programs broadcast during the prime viewing hours originate with network organizations, over whom the licensee's theoretical legal control is illusory.[8]

The staff was influenced by the following statement of then Chairman Doerfer, of the FCC, in answer to a question by Representative ROGERS of Texas:

"Mr. DOERFER. I wouldn't hesitate to give very serious consideration to a reversal of my opinion some time ago that network licensing would be a vain effort on the part of Congress because we could reach it through the licensee. With the developments, as you have indicated, I am inclined very much to consider very carefully the licensing of networks, indeed. * * * I think that where we cannot reach network practices through our power over the licensee, certainly it calls for the licensing of the network." [9]

We were similarly impressed with the suggestion of the Attorney General of the United States in his December 30, 1959, report to the President [10] contained in the following paragraph:

"First, as earlier explained, the networks, as such, are not regulated by the Federal Communications Commission. This is so even though the individual broadcasters rely upon the networks so heavily for matter broadcast, and the networks are ordinarily in a far better position than the individual licensee to select and control the presentation of that matter. Legislation could be enacted which would place direct regulatory authority over the networks in the FCC."

The FCC under existing law indirectly regulates networks in two ways. First, the major networks, NBC, CBS, and ABC, all own TV stations subject to FCC licenses. Secondly, the chain broadcasting rules promulgated in 1941, before the spread of commercial TV and still ill adapted to the newer medium, are used by the Commission to regulate certain aspects of the relations between networks and the licensees contractually affiliated with them.

The networks have contended repeatedly that these means are adequate to prevent network-originated competitive and programing evils. The question arises, then, what is to be gained by subjecting network organizations to direct regulation through licensing?

If offending program material (i.e., offending material not falling under the protection of section 326 of the Communications Act or under the first amendment to the Constitution) is transmitted from a network source and broadcast by network owned and affiliated stations, existing law logically requires that the same sanction be applied to every licensee broadcasting the material. As a practical matter, and as the history of FCC regulation indicates, such a logical approach would be unduly harsh. If the Commission decided instead to proceed against one or more network-owned stations, the network could plausibly argue that neither the statute nor regulations authorize such discriminatory enforcement action. The statute does not distinguish between licensees based on their ownership. Since it would be unduly Draconian to punish all licensees carrying an offending program, where they might have no effective means of detecting or preventing the offending matter, the practical result is that no one is subjected to FCC sanctions. To punish licensees for the dereliction of networks would be comparable to punishing a ventriloquist's dummy when his master puts bad words into his mouth. This anomalous situation is clearly a threat to the regulation of broadcasting in the public interest. That regulation cannot be effective until it extends to the source of supply rather than merely to conduits was implicit in H.R. 5042, introduced by Congressman BENNETT on February 26, 1959 (86th Cong., 1st sess.).

One of the most persuasive arguments for direct network regulation is contained in the 1957 report of the network study staff of the FCC Network Study Committee (hereinafter Barrow report).[11] The foundation of the argument is the practical difficulty in enforcing the Commission's chain broadcasting rules, by which sanctions can be imposed on licensees only and not on networks qua networks. The existing chain broadcasting rules (some slight changes have been made since the Barrow report) prescribe certain restrictions on the terms of agreement between networks and their affiliates. These relate, among other things, to territorial exclusivity, term of affiliation, option time, the right to reject network programs, network ownership of stations, and control by networks of station advertising rates. Following an exhaustive review of the reasons for and against direct regulation,[12] the report concludes that "the Commission's rules and regulations relating to network-station relations should be applied both to stations and networks; those applying only to network conduct should be applied exclusively to networks." [13]

The following quotation from pages 619–620 of the Barrow report summarizes succinctly most of the Barrow staff's reasons for its recommendation of direct regulation:

"Rigid application of the sanctions under such rules to stations would result in the stations raising sufficiently strong objections to the network conduct to prevent its continuance. However, when the rule and sanction are applied to the injured party, the atmosphere is not conducive to the most effective enforcement. Some evidence of this is found in the Don Lee case. In that case the Commission disclaimed supervisory control over network organizations, yet recognized explicitly that the proven violations of the chain broadcasting rules which had occurred were primarily the result of network practices.

" 'The chain broadcasting regulations, * * * are designed to govern the conduct of the individual stations rather than the networks. Thus they provide that no license shall be issued to a station which violates any of the regulations. Where, however, a station has been induced to violate one or more of the regulations because of pressure or coercion from a network, it is the network which is primarily responsible for the violations of the regulations. For an individual station does not deal with a network as an equal, particularly when it is a small station.' (5 R. R. 1197–1198 (1950).

"It is unlikely that stations will have their licenses revoked, or have other substantial sanctions imposed, for submitting, in the interest of retaining a necessary network affiliation, to the domination of the networks in matters proscribed by the rules. In the Don Lee case, while it was found that almost every chain broadcasting rule relative to network-station relations had been violated, the licenses of the affiliates were not revoked because it was realized that the proscribed conduct by the station had been induced by the network. Since the rules did not apply to the network, there was no action which could be taken against the network unless the network were found unqualified to be a broadcast licensee. Such a determination logically would have required that the network surrender licenses to all its stations and this the Commission considered too harsh a penalty for the violation of the rules. The conduct in violation of the rules was discontinued following the investigation and Commission action in that case. Hence, it cannot be said that rules addressed to stations are necessarily ineffective in controlling network conduct. Nevertheless, enforcement would be more readily effected and sanctions more rigidly applied were the rules directed to the parties responsible for the proscribed conduct.

"The Commission's regulatory design has been to license broadcasting stations and to hold the licensee to the responsibility of

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[3] The Network Monopoly, a report prepared by Senator Bricker for the use of the Senate Committee on Interstate and Foreign Commerce, Apr. 30, 1956, p. 1 and passim.

[4] Cf. the testimony of the president of KTTV, Inc., with that of most licensee witnesses heard by the Senate Committee on Interstate and Foreign Commerce in hearings, "Television Inquiry, Part IV—Network Practices," p. 1475 et seq. and passim.

[5] See the excerpts from testimony before the subcommittee quoted in H. Rept. 1258, sec. (V)(F), at pp. 32–35.

[6] See, e.g., testimony of Thomas E. Ervin, vice president and general attorney of NBC, tr., Oct. 7, 1959, p. 363 et seq. and passim.

[7] See testimony of Merton Koplin in app. C, attached hereto.

[8] See Barrow, "Network Broadcasting: The Report of the Network Study Staff," 22 L. Cont. Prob. 611 (1957) at 615. NBC and CBS basic affiliates' programing in these hours is over 90 percent network originated.

[9] Tr., Oct. 10, 1959, p. 84.

[10] Report to the President by the Attorney General on "Deceptive Practices in Broadcasting Media," Dec. 30, 1959, at p. 53.

[11] Printed as "Network Broadcasting," report of the House Committee on Interstate and Foreign Commerce, Jan. 27, 1958.

[12] Barrow report, pp. 614–632, 653–654, 660–661. One objection to direct regulation discussed in the report was the possibility that FCC supervision of restrictive network affiliation practices would interfere with Justice Department antitrust enforcement. Cited as an instance of such possible friction was the NBC-Westinghouse station exchange approved by the FCC with respect to which the Justice Department brought a civil antitrust action in 1956. Barrow report, pp. 622–624. This objection, which the Barrow staff found wanting, has been rendered even weaker by the subsequent decision of the U.S. Supreme Court that FCC approval of a station transfer was no bar to Justice Department antitrust action. *U.S.* v. *RCA* (358 U.S. 334 (1959)).

[13] Barrow report, p. 631.

broadcasting in the public interest. As the industry developed, however, the decision-making power in providing programing for television has passed, to a great degree, from the hands of the station to those of the network, and to a lesser extent to the advertiser. An advertiser-supported national network system of broadcasting has been accepted as an integral part of the industry structure. The advertiser desires programing which is designed to attract an audience of buyers for the product. The network must produce or select programs which fulfill the need of the advertiser. Of course, the advertiser and network must take into account the viewing tastes of the desired national audience. However, in programing to a national audience for the purpose of advertising a product, the decisions are made not from the individual station viewpoint but from a national viewpoint. Thus, of necessity, the selection of programs offered over the network is made by the network, and the station licensee's function has been limited accordingly.

"Power and responsibility go hand in hand, not weakness and responsibility. Decisions are more responsible when those who make them are answerable to those affected by the decisions. The important service of television is programing. The group most directly affected by programing service is the viewing public. To establish appropriate responsibility of the networks to the people, the Commission's rules and regulations which are concerned with network activities in areas of importance to the public interest should be applied to the networks."

Of great interest in this connection is the following colloquy occurring during the testimony of a leading network spokesman, Dr. Frank Stanton of CBS, before the Antitrust Subcommittee of the House Committee on the Judiciary,[14] a part of which is quoted on pp. 626–627 of the Barrow report:

"The CHAIRMAN. The FCC adopted rules back in 1941 concerning radio chain broadcasting and those rules were approved by the Supreme Court, which said the FCC had the right to issue those rules. Presently the FCC regulates stations, is that correct?

"Mr. STANTON. Yes; that is correct.

"The CHAIRMAN. And the FCC does not regulate the networks?

"Mr. STANTON. Not directly, sir.

"The CHAIRMAN. They only do it by virtue of their regulation of the stations?

"Mr. STANTON. That is correct.

"The CHAIRMAN. In other words there is indirect regulation by virtue of Commission jurisdiction over stations, but there is no direct regulatory jurisdiction over networks?

"Mr. STANTON. As I understand it, that is a correct statement of the situation.

"The CHAIRMAN. Now, I would like to ask you this, and you do not have to answer if you do not wish: Would you be averse to having the Federal Communications Commission regulate directly in the way that they now regulate indirectly; that is, have direct regulatory jurisdiction over the networks?

"Mr. STANTON. I think, Mr. Chairman, that it would make sense if that were what the regulation was intended to accomplish. So as not to look as if I am on both sides of the issue, I have opposed network regulation when it was nonspecified, because I feared program control and certain other features that might be introduced into such regulation, but if you are asking me, as I understood your question, would I prefer to have what I have now got, directly as against indirectly, my answer is in the affirmative.

"The CHAIRMAN. In other words, you would rather see direct regulation concerning what you have not got rather than indirect regulation?

"Mr. STANTON. Yes; I think it is a less complicated way to live, because we get our regulation now only as it affects our affiliates and our company-owned stations, whereas if the same regulations were applied directly to us, I think it would be a more businesslike and systematic way to handle the situation. But it is the blank check kind of regulation that troubles me, and that is the reason I opposed it.

"The CHAIRMAN. Now, just one more question: If it is found by the Federal Communications Commission that they just cannot change their regulations to conform to what you desire, you would not be averse to changing the statute to give them the power?

"Mr. STANTON. No.

"Mr. KEATING. You had better talk that over with the lawyers first.

"Mr. STANTON. I wanted to say just that, Mr. KEATING, but if you look through to the end of what the net result is, I think it is better to have the regulations direct than to have them indirect, and I stand by that.

"The CHAIRMAN. Well, I think it is a natural inference to state that if the Federal Communications cannot do that, but needs changes in the statute, it would seem advisable to make the changes to give them the power."

The staff was at the time of preparation of the recommendations contained in the subcommittee's interim report[15] also engaged in preparation for the hearings into "Payola and Related Deceptive Methods in the Broadcast Field," which were held in February, April, and May 1960, after issuance of the report. Information in the files indicated that broadcasters, and conspicuously the major network organizations, made frequent use of their broadcast facilities to promote commercially the sale of articles in which they, or persons or corporations affiliated with them, had a financial interest.[16] It has long been well known that each of the major network organizations is affiliated with phonograph record manufacturing and music publishing enterprises.[17] In addition, RCA, parent corporation of NBC network, and CBS, of which CBS radio and television networks are divisions, manufacture broadcast receiving sets and other equipment. ABC network, a division of American Broadcasting-Paramount Theatres, Inc., is associated with the Paramount motion picture theater chain. There is evidence in the subcommittee files and in executive session testimony that ABC employees have been pressured to book some of their outside activities in Paramount theaters.[18]

There is need for a thorough study into the effects on competition of broadcasters who use their publicly licensed facilities to promote the sale of goods and services in which they are directly or indirectly interested. Are nonbroadcaster equipment and appliance manufacturers afforded access to broadcast advertising time on the same terms as those affiliated with broadcasters? To what extent are independent songwriters, music publishers, record manufacturers, etc., at a competitive disadvantage unless they meet terms imposed by broadcasters? What are the competitive and overall implications for the public interest of the widespread ownership of broadcast facilities by the increasingly concentrated newspaper and magazine publishing industries?[19] And would the public policy against restrictive practices through patent control be more readily effected in the broadcasting equipment industry through direct FCC control over networks affiliated with such patentholders?[20]

APPENDIX A

On November 16, 1959, the FCC issued a general invitation to organizations and persons to appear and present views at public hearings on various matters relating to the field of radio and television network broadcasting. Thereafter, extended hearings were held, commencing December 7, 1959, and terminating February 1, 1960. In the course of these hearings, several witnesses testified to the need for network licensing. For example, at the hearing on December 11, 1959, Theodore Peterson, dean of the College of Journalism and Communications at the University of Illinois, stated:

"In any medium, responsibility for content must be clearly fixed somewhere. In the broadcast media, the legal responsibility for programing seems to me fixed at the weakest possible place for maintaining high standards—the local station. The average network affiliate produces fewer than 10 percent of the programs it carries, I understand; local stations depend greatly on the networks not only for their programs, but also for their economic survival. As the Barrow report on the network broadcasting put it: '* * * network practices have, to some extent, restricted the programing responsibility of the station licensee and limited the licensee's opportunities to program according to the specific needs of his local community. They have also curtailed the availability of alternative program sources to the station and thus to the public which it serves.'

"True, the networks are to some degree accountable to the Commission through the stations for which they hold licenses. But this to me seems a devious and unsatisfactory way for the Commission to exert its influence. Indeed, even Frank Stanton of CBS in testimony in 1956 said that he thought the direct application of existing regulations * * * to networks rather than their indirect application through company-owned stations would represent 'a less complicated way to live.'

"I am quite aware, of course, of some of the problems, legal and otherwise, involved in extending the Commission's authority over networks. I am quite aware, too, of the special nature of networks: that they exist essentially as dealers in services, that they technically do no broadcasting of their own, except through their company-owned stations.

"Yet I think that network regulation is important enough to demand serious study and consideration by the Commission and by Congress. One possible approach might be to give legal recognition to the important and unique part which the networks play in broadcasting operations and to license them under standards of performance similar to those asked of individual stations." ("Study of Radio and Television Network Broadcasting," FCC Docket No. 12782, vol. 4, pp. 841–3.)

Peterson viewed network licensing as a means of more readily holding the networks

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[14] "Monopoly Problems in Regulated Industries," pt. 2, vol. 3, Television, hearings before the Antitrust Subcommittee of the Committee on the Judiciary, House of Representatives, 84th Cong., 2d sess. (1956), pp. 5029–5030 (hereinafter cited as "Celler hearings").

[15] Note 1, supra.

[16] See appendix B below.

[17] See, e.g., "Songplugging and the Airwaves: A Functional Outline of the Popular Music Business," staff study for the Committee on Interstate and Foreign Commerce, House of Representatives, 86th Cong., 2d sess., May 1960, pp. 10–13; "Amendment to Communications Act of 1934," hearings before the Subcommittee on Communications of the Committee on Interstate and Foreign Commerce, U.S. Senate, 85th Cong., 2d sess., on S. 2834 (1958), passim; and two Celler hearings, n. 13 supra, pp. 4141–4431, passim.

[18] See appendix B below.

[19] For a discussion of this latter question and particularly of the vacillating application of diversification criteria in licensing by the FCC, see comment, "Diversification and the Public Interest: Administrative Responsibility of the FCC," 66 Yale Law Journal 365 (1957).

[20] See app. D, attached hereto.

"to standards of broadcasting in the public interest," particularly as to the enforcement of a requirement that the networks devote a portion of prime time to "public service broadcasting" (pp. 853–4). Such a requirement, in his opinion, would not constitute censorship (p. 854).

If networks were licensed, they would be compelled to assume direct responsibility for the content of programs originating with them. Certain witnesses appearing before the FCC in the course of its public hearings recommended the exercise of greater control by the networks. For example, one witness stated:

"Implicit in the license * * * is the assumption * * * that the licensee will operate responsibly and in the public interest and welfare, with honesty, integrity, and acceptable moral purpose.

* * * * *

"It is the licensee who promises to retain control over programs when he accepts the license, and it is the licensee who ultimately must assume responsibility for what is done all the way down the line. * * *

"Now this is the theory. In practice, however, the sponsor and his advertising counsel may—and I assume sometimes does—exercise a high degree of responsibility and authority for program content.

"This results in a dispersal of responsibility from network or station * * * to producer, to advertising agency, to sponsor. This division of responsibility may well be responsible for some of the current problems in broadcasting." (Steiner, vol. 1, p. 51–52.)

W. Theodore Pierson, a member of the law firm of Pierson, Ball & Doud, Washington, whose well-considered testimony was stated to represent in substance the views of 10 station licensees whom he represents, urged that "the fiction of licensee responsibility for choice and selection of network programs * * * be eliminated by permitting stations to transfer that responsibility to any network that is licensed as such by the Commission" (vol. 14, p. 2706).

His lengthy opening statement surveyed the problem of program content, highlighting the difficulties, both legal and practical, which would be encountered if the Commission itself were to exercise greater control over programing. It concludes with the following observations:

"We believe that no legislation should be sought by the Commission to give it authority to dictate broadcast programing in any degree, because of its doubtful constitutionality and because it would impose a new system of broadcasting which could not possibly be as effective as the present system in meeting the demands of the public.

* * * * *

"With respect to quiz rigging and payola, we are unaware that any licensee has been found to have been responsible for such conduct, but in any event, program regulation is not necessary to eliminate such evils. If any licensee did commit fraud and deceit similar to that involved in some of the quiz shows, it would raise a serious question as to his licensee qualifications. * * * Likewise a licensee who knowingly indulged the payola schemes. * * * Legislation making the receipt of payola by a station employee a crime might be helpful in the station's attempt to regulate its own shop. * * *

"There is a failure under the present system to merge the legal and practicable responsibility for the programs that are broadcast. While under the law the licensee has the nondelegable duty to choose and select his programs, he cannot as a practical matter, with respect to network programs, perform any real and substantial function in this connection. If we are to have network sales and programing, this responsibility of the licensee to choose and select programs must primarily remain a legal fiction and a virtual practical impossibility. * * * The indulgence of any fiction cannot help but spread its mockery to other areas of the law, with the result that responsibility tends to break down all along the line. We believe it essential, in order that broadcasting can expand its facilities to meet the ever-increasing public demand for service, that it have the practical means of competing in the national market for national advertising and of distributing program material countrywide to a large group of markets. To function effectively in competition with other media * * * there must be efficient means of clearing time for advertisers and programs by a central source.

"Under the present rules of the Commission a station may not grant rights of clearance to a network but can only give the network what has loosely been called option time, but which is not in reality an option. Clumsy procedures are required under the rules before the network can determine whether a package of markets that an advertiser wants to buy can be supplied. These procedures were imposed by the Commission on the grounds that the act placed the responsibility for choosing and selecting programs upon the licensee and this duty and responsibility was not delegable by contract to any other person, including a network. This interpretation of the act was upheld by the Supreme Court.

"We believe the Commission should recommend legislation that would permit a licensee to grant absolute rights of clearance for a portion of his time to any network organization that itself was licensed as a network by the Commission and that the Commission should be given the same licensing and regulatory authority and powers over the network that it now has over individual licensees. It would then be possible for a station, if it so desired, to transfer to the network the responsibility for programing a certain portion of its broadcast day under such conditions as the station might wish to impose. This would enable stations and the networks to establish a far more efficient system of time and program clearance. It would remove once and for all the fiction that a licensee can in reality choose and select the programs that he receives from the network. It would fix legal responsibility for network and nonnetwork programs in the hands of the ones who could practically and realistically control them" (Pierson, vol. 14, pp. 2732–2735).

In the course of interrogation by the Commissioners, the witness supplemented the foregoing statement as follows:

"Commissioner FORD. * * * I am afraid that what this proposal you have here might do, or might lead to, ultimately, would be an abdication to three men in the United States of the program fare throughout the country.

"Mr. PIERSON. Well, to no greater extent does it need to than it does now. Because as a practical matter, this is true now. The Commission, however, has limited the time, in its rules, that can be delegated to a network, and it has done this on the basis of avoiding concentration of controls, and it has been upheld by the Supreme Court as not involving any violation of censorship." (Pierson, vol. 14, p. 2790.)

APPENDIX B

The subcommittee's interim report, dated February 9, 1960, recommends that the proposed legislation providing for network licensing set forth particular factors to be considered by the Commission in determining whether the issuance or renewal of the license to the applicant-network meets the standard of public interest. These four factors or guidelines included a requirement prohibiting the network from "using any broadcasting facility, directly or indirectly, in promoting the sale or distribution of the product or service of any company or person in which it has any direct or indirect financial or beneficial interest."

At the time the subcommittee's interim report was written, its files contained material indicating that certain networks had used their facilities in promoting the sale of products of companies in which the networks had financial interests. In the course of the subcommittee's payola hearings following the publication of the report, testimony was developed which supported these allegations.

For example, the network facilities of American Broadcasting-Paramount Theaters Inc., were used to promote sales of a record-carrying case which was specifically endorsed by Dick Clark and plugged in various ways on the "Dick Clark Show," and "American Bandstand." Although there is doubt as to the actual amount, if any, received by the network, the financial arrangement between the company which manufactured the product (in which company Dick Clark has a financial interest) and the network contemplated apparently the distribution to the network of one-third of any royalties paid on sales of the record cases. ("Payola" and Related Deceptive Methods in the Broadcast Field, 1960, Tr. 2070.)

Although Mr. Leonard Goldenson, president of ABC-Paramount, denied that the network ever condoned the free plugs of the product over the air, he pointed out that royalty agreements between networks and manufacturers of products (such products being identified in some way with a television personality) are common throughout the television industry:

"This was a merchandising thing under which the Dick Clark name and face, as a subsidiary right, had been made by WFIL with whatever the company is that had this carrying case. And this is common in the business, to have licensing of subsidiary rights of a personality, which helps to merchandise that personality and get him known in different areas." (Tr. p. 2069.)

ABC-Paramount has similar royalty contracts with other manufacturers. Mr. Goldenson cited one specific example:

"Well, there would be a contract, let us say, Rifleman, a program. It may be the sponsors have as a result of the show, they have plastic guns made up in the form of a rifle. Now those are given out in, say, stores as premiums throughout the United States.

"We, together with the talent and the producer of the show may get a royalty for licensing that gun that was created out of that show." (Tr. p. 2085.)

Although the witness contended that the revenue derived by the network in the form of royalties from the sale of the carrying cases, plastic rifles, etc., are nominal, he frankly stated that such "merchandising tieups" were obtained in order to "better get the American public acquainted with the show." (Tr. p. 2087.) The ultimate pecuniary benefit to the network resulting therefrom is obvious.

There are also products in which the network has a direct financial interest, by way of a stock interest in the company which manufactures the product. ABC-Paramount owns 35 percent of Disneyland, a unique type of amusement park located near Los Angeles. A television program produced by Walt Disney originates from Disneyland and is carried over the ABC network. Although the primary purpose of the show is not to "merchandise" Disneyland as such (but rather some sponsor's product), that is surely one of the incidental effects:

"Mr. BENNETT. Are you trying to sell Disneyland?

"Mr. GOLDENSON. It is not being done. The program is emanating from it but actually Disneyland is in a sense being sold when the program is emanating from there." (Tr. p. 2074.)

The temptation to use the broadcast facility improperly by the network for the purpose of promoting the product, whatever its

nature, is obvious. Were a more searching investigation made in this area, frequent and widespread abuses, resulting from the application of subtle but nevertheless coercive means, would undoubtedly be revealed. For instance, Mr. Alan Freed, formerly an employee of ABC-Paramount, testified in executive session before this subcommittee regarding his activities as a network diskjockey. This testimony has not been publicly released. However, Mr. Goldenson, who apparently had learned of a certain charge made by Mr. Freed in the course of his testimony, undertook to refute Mr. Freed's testimony on that point, and in doing so revealed its substance:

"If I may disgress for a minute * * * it has come to my attention that Mr. Freed advised this committee in executive session that Mr. Mortimer Weinbach, vice president and general counsel of the American Broadcasting Division, stated to Mr. Freed at the time—Mr. Freed was about to sign his contract with ABC dated May 20, 1958—that 'I trust you will be sure to play heavily on ABC-Paramount records now that you are in the family; and I also trust that you would play nothing but Paramount theaters with your station show.' * * * Mr. Weinbach has assured me that Mr. Freed's statement is completely untrue." (Tr. pp. 2021–2022.)

The injury to the public interest inherent in ownership by diskjockeys of recording companies and the like also exists with respect to ownership by networks of such and other facilities. Network licensing and regulation will provide a statutory means of curbing network broadcasting which enhances profits from their outside commercial ventures without public disclosure of the existence of their interest in such ventures. The principle that diskjockeys should not be allowed to exploit the airwaves for their own hidden profit applies with equal directness to the same type of exploitation by the networks.

APPENDIX C

In the course of the subcommittee's quiz show hearings, considerable testimony was developed which clearly indicates the lethargic attitude of the networks toward the exercise of control and assumption of any direct responsibility for the material broadcast over their facilities.

Mr. Merton Koplin, producer of the quiz shows, "$64,000 Challenge" (CBS), "$64,000 Question" (CBS), and associate producer, for a time, of "The Big Surprise" (NBC), gave some illuminating testimony regarding the methods by which the outcome of such contests was arranged by the producers of these shows. The inertia displayed by network officials, even in the face of news accounts clearly indicating the use of deceptive practices, can reasonably be interpreted as an acceptance on their part that the networks' role be reduced to that of a cipher, a mere conduit through which program matter moves on its way to the viewer. For example:

"Mr. GOODWIN. Prior to these incidents which were the first ones which received public attention where a contestant made a complaint, in the years of production of the Question and the Challenge, did any representative of the Columbia Broadcasting System ever ask you in any fashion whether the shows * * * were controlled?

"Mr. KOPLIN. No, sir.

"Mr. GOODWIN. Did any representative of the National Broadcasting Company ever, throughout the life of the show, 'The Big Surprise,' ask you whether or not that show was a controlled show?

"Mr. KOPLIN. No, sir.

* * * * *

"Mr. GOODWIN. * * * in April, 1957, * * * an article entitled 'The $60 Million Question', in Time magazine * * * charged that people appearing on shows had been guaranteed money * * * that producers of shows were using techniques in order to make contestants continue in order to raise ratings, that a contestant on 'The Big Surprise' admitted publicly in Time magazine that on some of the questions he answered during his screening interviews they turned up on the show itself, that the article concluded, a 4-page article, by saying that the producers seem to be able to control everything except their own fears of losing an audience.

* * * * *

"To your knowledge, during 1957, was any member of your organization approached and asked if the shows were controlled?

"Mr. KOPLIN. Not to my knowledge.

"Mr. GOODWIN. Have you discussed this matter with Mr. Carlin, who was the head and executive producer of Entertainment Productions, Incorporated? * * * Has he stated if anyone ever approached him and asked if the shows were controlled?

"Mr. KOPLIN. He stated that no one has.

* * * * *

"Mr. GOODWIN. In light of the fact of * * * these national publications, of charges which show control, and in light of the fact that at least within your experience and the experience of your organization, one of the largest producers of quiz shows, no inquiries were ever made, would you consider it a fair statement to say that at least the eyes of the television industry were closed to this mass deception of the American public?

* * * * *

"Mr. KOPLIN. No one seemed to care.

* * * * *

"Mr. GOODWIN. * * * Would it be fair to say that the most charitable thing that can be said is that the television industry closed its eyes to this deception? * * *

"Mr. KOPLIN. I think they accepted it as a natural part of show business." ("Television Quiz Show Programs," 1959, Tr. 241–246).

APPENDIX D

During the subcommittee's 1958 hearings, a great volume of testimony and other evidence was presented relating to the technical standards of the FCC which pertain to the manufacture and sale of transmitters and receivers for FM and TV broadcast stations. The issue which principally concerned the subcommittee was whether these standards are conducive, because of their lack of flexibility, to the establishment and continuation of patent monopolies. "The problem of formulating technical standards so as to avoid tying the standards to patents owned or controlled by a single manufacturer has long been recognized." ("Investigation of Regulatory Commissions and Agencies," 1958, pt. 7, p. 2426.)

A distinct but closely related issue before the subcommittee was whether, and in what circumstances, the Commission ought to revoke or refuse to license anyone whose conduct, in respect to patents, is considered by the Commission to have violated the antitrust laws.

Section 313 of the Communications Act, as amended, provides that the antitrust laws apply to the "manufacture and sale of and to trade in radio apparatus and devices entering into or affecting" interstate and foreign communications. The section also provides that a court may, in cases where "any licensee" is "found guilty of the violation of the provisions of such laws," not only impose appropriate penalties under the antitrust laws, but also revoke the license of such licensee. Section 311, a companion provision, expressly directs the Commission to refuse a station license or construction permit to any person (or to persons directly or indirectly controlled by such persons) whose license has been revoked by a court pursuant to section 313. (Pt. 7, p. 2832.) However, the Supreme Court has held that the FCC's authority is not limited merely to instances where there has been a prior judicial determination of the existence of an antitrust violation. In the Chain rules case, *National Broadcasting Co., et al.* v. *United States*, 319 U.S. 190 (1943), the Supreme Court declared that the Commission is under a duty to challenge the qualifications of an existing licensee, or any applicant for a license, to operate the station in the public interest when the licensee or applicant can exercise monopolistic patent control as to broadcasting equipment, even though such licensee or applicant has not been adjudged guilty by a Federal court of violating the Sherman or Clayton Act. (Id., pt. 7, p. 2796.) The Court said, 319 U.S. at pp. 222–223:

"That the Commission may refuse to grant to persons adjudged guilty in a court of law of conduct in violation of the antitrust laws certainly does not render irrelevant consideration by the Commission of the effect of such conduct upon the public interest, convenience, or necessity. A licensee charged with practices in contravention of this standard cannot continue to hold his license merely because his conduct is also in violation of the antitrust laws and he has not been proceeded against and convicted. By clarifying in S. 311 the scope of the Commission's authority in dealing with persons convicted of violating the antitrust laws, Congress can hardly be deemed to have limited the concept of public interest so as to exclude all considerations relating to monopoly and unreasonable restraints upon commerce. Nothing in the provisions or history of the acts lends support to the inference that the Commission was denied the power to refuse a license to a station not operating in the public interest merely because its misconduct happened to be an unconvicted violation of the antitrust laws." (Id., pt. 7, p. 2796.)

Hence, the Commission need not wait until a violation of law is found to exist by some other forum prior to taking action looking toward the challenging of the licensee's qualifications to use his license in the public interest. But, as noted by the Supreme Court in the NBC case, it is not the Commission's function to apply the antitrust laws, as such. (Id., pt. 7, pp. 2832–2833.)

A memorandum prepared by William H. Bauer in the course of his duties as patent adviser to the FCC contains the following summary of Commission policy regarding information which indicates antitrust violations by a broadcast licensee:

"The Commission will refer to the Department of Justice facts evidenced by its records which it believes show a violation of one or more antitrust laws for appropriate action, and if the 'person' or 'persons' involved are licensees or applicants for licenses the Commission will consider the facts in a separate proceeding, to determine whether said 'person' or 'persons' are qualified to operate a broadcast station in the public interest or do both." (Id., pt. 7, p. 2538.)[1]

Notwithstanding the powers of the Commission outlined above, it has in practice, apparently, followed in this connection what

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[1] The "Commission Report on Uniform Policy as to Violation by Applicants of Laws of United States" (1950) contains the following statement:

"As hereinabove pointed out, the Commission has the authority to examine pertinent aspects of the past history of an applicant and this history, of course, includes any violation of Federal law. Even though no suit alleging illegal conduct has been filed, or if one has been filed but has not been adjudicated, the Commission may consider and evaluate the conduct of an applicant insofar as it may relate to matters intrusted to the Commission." (Id., pt. 7, p. 2832.)

might be described as a hands-off policy. In 1951 the Commission, upon the advice of its patent adviser, recommended to the Department of Justice that antitrust proceedings be instituted against RCA and NBC, but reserved to itself consideration of the issue whether revocation of NBC's licenses should be sought. In 1954 the Department of Justice filed its antitrust action against RCA and NBC, naming the Bell System, General Electric, and Westinghouse as coconspirators, but its complaint, in accordance with the Commission's reservation, did not seek revocation of NBC licenses (id., pt. 7, p. 2639). However, in 1952 the Commission voted against challenging several NBC license renewals on the ground of patent misuse, despite memorandums of the patent staff calling attention to the Commission's policy (set forth in a 1949 letter report to the chairman of the Senate Interstate and Foreign Commerce Committee) which was based on the 1943 opinion of the Supreme Court in the *NBC* (chain rules) case (id., pt. 7, pp. 2614, 2722).

The opposing position of the Commission (or at least its General Counsel) and the patent adviser is illustrated by 1956 memorandums of the latter in which he took the position that (under the principle of the chain rules case) the Commission was charged with a nondiscretionary duty to challenge the qualifications of a licensee in the public interest, whereas the former took the position that this duty was discretionary, pending a court determination of the existence of a patent misuse (id., pt. 7, p. 2642).

Ex-Commissioner Doerfer testified that he was not aware of any instance where the FCC had challenged a license's renewal because of the licensee's participation in a patent misuse (id., pt. 7, p. 2819).

POWER OF FCC TO REVOKE LICENSE OF SUBSIDIARY COMPANY

Where a radio and television network organization operates the manufacturing and broadcasting phases of its business as merely separate divisions of one large company, the construction permits and licenses for stations which it has been granted by the Commission, together with its patents, are all held by the same entity. The company is the licensee. As licensee, in the event it engages in any monopolistic patent practice, it is subject to challenge by the FCC that it is not fit to operate its broadcasting activity in the public interest, in accordance with the views expressed by the Supreme Court in the NBC chain rules case.

On the other hand, where the broadcasting and manufacturing phases of the business are carried on by separate corporate entities, the various station licenses and construction permits are issued to the broadcasting company, i.e., the network; the manufacturing company is not the licensee as such. The broadcasting company is a wholly owned subsidiary of the manufacturing company (as in the case of NBC and RCA). In this situation, can the licensee (the network subsidiary) be challenged because of alleged improper patent practices of the manufacturing parent?

Some consideration of this question was given in the course of the subcommittee's 1958 hearings. The FCC's former patent adviser, William H. Bauer, stated in a memorandum dated October 24, 1952, that there "seems to be no question respecting the Commission's legal right to initiate a proceeding on the question of NBC's qualifications as a license of TV broadcast stations because of RCA's acquisitions and practices for obtaining and maintaining its monopoly." (Id., pt. 7, p. 2623.)

In his testimony, ex-Commissioner Doerfer, after noting that any patent misuse or patent monopoly on the part of broadcast licensees who are also engaged in manufacturing "would be of concern to the Commission" because such misconduct "if brought to the attention of the Commission and finally established * * * is a character blemish which may disqualify a licensee," went on to say that the Commission, "of course, has no direct jurisdiction over manufacturers who are not licensees of the * * * Commission, nor does the * * * Commission have direct jurisdiction over the parent company of one of its licensees." (Id., pt. 7, p. 2800.)

Commissioner Doerfer's views concerning this question were further developed in the course of interrogation by Chairman HARRIS and Representative FLYNT:

"The CHAIRMAN. * * * you testified that the Commission did not have direct jurisdiction over a parent company of one of its licensees. Is that true?

"Mr. DOERFER. That is correct.

* * * * *

"The CHAIRMAN. Are you in a position to state an opinion * * * whether or not the Commission should grant or renew a license to a subsidiary of what would be considered an unfit parent company?

"Mr. DOERFER. * * * I would hestitate to lay down sanctions or urge sanctions for the refusal to renew a license outside of the conduct of the licensee. If in fact the licensee is not independent in carrying out the purpose for which he got the license, that would be a matter of consideration, but as long as that licensee exercises complete independence of judgment and is not the tool for carrying out some unlawful purpose, or purposes, contrary to the public policy, I am very doubtful that any action of the FCC would be other than arbitrary and capricious.

"The CHAIRMAN. You see what I am getting at, as to whether or not you would think there is need for legislation in this field regarding the authority of the Commission. If there is any lack of authority to look into the character of the parent campany, and if the Commission does not have that power, then perhaps legislation might be considered. * * *

"Mr. DOERFER. * * * I hesitate to try to defend the proposition, for illustration, whereby a licensee should be refused a license because his brother or his relatives are not good citizens, or somebody's son is a reprobate. * * * I think that we have to take a look at the licensee, and if he is not the tool or the instrument or whatever you call him, just a front, I don't wish to go that far.

* * * * *

"Mr. FLYNT. * * * Do you feel that you as a Commissioner have, under existing law, full power and authority to deny or withdraw a license from a subsidiary in a case where the parent company is disqualified for the license which the subsidiary seeks to get or to have renewed?

"Mr. DOERFER. Yes; but there is this qualification: let's take an illustration. Let's assume that a company is convicted of an antitrust violation, but the court, having the power to revoke the license, does not revoke the license.

"It is my understanding that Congress in 1952 indicated that it did not want the FCC to revoke that license on the theory of the injustice of double jeopardy.

"With respect to a parent company, certainly the Commission may have the authority, but again if in the divestiture proceeding the court did not see fit to divest the subsidiary and correct an abuse, I cannot say that the Commission would be warranted in inflicting the extreme sanctions of revocation. After all, there is a relationship between a sanction which the FCC administers and which a court does. * * *

"Mr. FLYNT. * * * If John Doe is the sole stockholder of A company which is a licensee, and if he is convicted, you would certainly then go behind the corporate identity and associate the sole individual with the corporation that owns it?

"Mr. DOERFER. * * * Yes.

"Mr. FLYNT. * * * Then would you permit a licensee subsidiary company to hide behind the cloak of corporate separation and treat that company differently than you would treat A company, which was owned by an individual other than by a parent company?

"Mr. DOERFER. Absolutely not; but I wanted to add that whether or not there would be an absolute revocation depends upon the facts of the condition and the circumstances.

* * * * *

"The CHAIRMAN. In other words, the act requires the Commission to refuse such station license when the court has revoked such license, but if the court convicts someone in an antitrust proceeding, as an example, and does not revoke the license, then you are not required to take such action, but you may if you feel it necessary. Is that true?

"Mr. DOERFER. Yes; we may if we found it necessary. * * * my reaction is, if it were within the power of the court to revoke the license and if it had it under consideration and did not do so, I think it would be rather presumptuous on the part of the FCC to inflict a further penalty." (Id., pt. 7, pp. 2854–2858.)

Mr. HARRIS. Mr. Speaker, I will just take a minute to respond to the gentleman, because I do not want the record to be left with inaccuracies.

This bill was thoroughly explained to this House at length some time ago. The gentleman, and every member of the committee, is well aware of the fact that there is no one who has to do with the preparation of programs who is freed from responsibility. The provisions of this bill which get at the problems of payola and deceptive programing apply to the networks, the producers, the advertisers, and everybody, and would subject them to penalties if they do not discharge their responsibilities. In connection with deceptive practices, section 509(a)(4) of this bill, which I explained before, is applicable to networks, to advertisers, and to producers. Consequently the gentleman's remark that it is ineffective by leaving a windfall for certain groups is contrary to the fact. I refer you to those sections of the bill and to the application of the forfeiture provision to those sections.

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. BENNETT of Michigan. Is there anything in this bill which places any legal responsibility upon the networks to operate in the public interest as the individual licensees is required to operate?

Mr. HARRIS. Yes; two provisions—sections 508 and 509 to which I have referred, are applicable to everybody connected with programing.

Mr. BENNETT of Michigan. These sections provide for criminal penalties against anyone who knowingly violates the law. They do not bring the networks under FCC regulation in the sense that the individual station owner is regulated. They do not require the networks to operate in the public interest. The networks remain completely free as such from FCC regulation.

Mr. HARRIS. The responsibility is placed on them: No. 1, with respect to payola and matters associated therewith; and, No. 2, with respect to deceptive programs that are put on the air

through a broadcasting facility. In other words, the producers and the networks cannot turn their backs and close their eyes any more on these practices without being subject to the penalty of the law.

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

Mr. HARRIS. I yield.

Mr. AVERY. They certainly are not excluded from the responsibilities set out in the bill.

Mr. HARRIS. The gentleman knows they are not. They are included.

Mr. AVERY. Of course they are.

Mr. HARRIS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

ESTABLISHMENT OF ANNUAL NATIONAL FOREST PRODUCTS WEEK

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (S.J. Res. 209) providing for the establishment of an annual National Forest Products Week.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

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

Whereas our country and its people have always found constant strength, individual peace and personal pride in the bounty of our forest and timber lands; and

Whereas from the beginning of our Nation's founding, the forest and its products have provided a core of living and freedom touching and inspiring each citizen with majestic beauty and practical use; and

Whereas as our only renewable resource, wood offers the availability and abundance to satisfy the Nation's ever growing demands and through modern forestry we can be assured of a continuous supply of timber for the future; and

Whereas the first settlers gained foothold in the new world and carved for themselves and their descendants a free nation and built homes, schools, and churches using the forests as an ever plentiful source of material; and

Whereas this early building is now multiplied a thousandfold in these great United States and the importance of our forest lands has developed with equal vigor through wise management, constant replanting and growth of his vital resource, and today our forests provide thousands of products—lumber, paper, building materials, chemicals, furniture, and cloth—all dedicated to improving the lives of our people; and

Whereas in order to reemphasize to each citizen in the United States the importance and heritage of our vast forest resources which are inseparably tied to our present and our future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the seven-day period beginning on the third Sunday of October in each year is hereby designated as National Forest Products Week, and the President is requested to issue annually a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

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

PUBLIC WORKS APPROPRIATION BILL, 1961

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H.R. 12326) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1961, and for other purposes, 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 Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2181)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12326) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1961, and for other purposes, 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 amendments numbered 3, 8, 9, and 14.

That the House recede from its disagreement to the amendments of the Senate numbered 11, 12, 16, and 18, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,023,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$706,491,600"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$71,896,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,893,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,943,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,290,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,800,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,451,210,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$212,750,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,550,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,250,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 10, and 20.

CLARENCE CANNON,
LOUIS C. RABAUT,
MICHAEL J. KIRWAN,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
CARL HAYDEN,
RICHARD R. RUSSELL,
JOHN L. MCCLELLAN,
A. WILLIS ROBERTSON,
LISTER HILL,
SPESSARD L. HOLLAND,
WARREN G. MAGNUSON,
ROBT. S. KERR,
CLINTON P. ANDERSON,
HENRY DWORSHAK,
MILTON R. YOUNG,
KARL MUNDT,
MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12326) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

Rivers and harbors and flood control

General Investigations

Amendment No. 1: Appropriates $12,023,000 instead of $10,895,800 as proposed by the House and $13,062,800 as proposed by the Senate. The funds provided are to be distributed as follows.

Item	Budget estimate for fiscal year 1961	Conference allowance
GENERAL INVESTIGATIONS		
Examinations and surveys:		
Navigation studies	$880,000	$1,320,000
Flood control studies	2,720,000	4,000,000
Beach erosion cooperative studies	150,000	150,000
Special studies:		
San Francisco Bay survey	400,000	500,000
Ohio River Basin review	400,000	400,000
Great Lakes Harbor survey	107,000	264,000
Coordination studies with other agencies	150,000	150,000
Rampart Canyon, Alaska	100,000	225,000
Hurricane studies	850,000	850,000
Hudson River (siltation) studies	90,000	90,000
Potomac River review	400,000	400,000
Colorado River, Tex	118,000	118,000
Trinity River	250,000	321,000
Subtotal, examinations and surveys	6,615,000	8,788,000
Collection and study of basic data:		
Stream gaging (U.S. Geological Survey)	$235,000	$235,000
Precipitation studies (U.S. Weather Bureau)	340,000	340,000
Fish and wildlife studies (U.S. Fish and Wildlife Service)	50,000	50,000
International water studies	60,000	60,000
Subtotal, collection and study of basic data	685,000	685,000
Research and development:		
Beach erosion development studies	200,000	200,000
Hydrologic studies	150,000	150,000
Civil works investigations	1,200,000	1,200,000
Mississippi Basin model:		
Construction	700,000	700,000
Mississippi River comprehensive study	150,000	150,000
Subtotal, research and development	2,400,000	2,400,000
Arkansas-Red River pollution survey		150,000
Total, general investigations	9,700,000	12,023,000

Budgeted funds for the Missouri River slack-water navigation study and the Garfield, Utah, small-boat harbor have been disallowed.

Within the amount provided for the flood control studies, $10,000 is to be used on the J. Percy Priest Reservoir study.

Construction, General

Amendment No. 2: Appropriates $706,491,600, instead of $662,622,300 as proposed by the House and $737,884,600, as proposed by the Senate. The conferees are in agreement that funds appropriated under this item should be allocated as set forth in the following tabulation:

Construction, general, State and project	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
Alabama:				
Aquatic plant control. (See Louisiana.)				
Columbia lock and dam, Alabama and Georgia	$3,325,000		$3,325,000	
Holt lock and dam		$378,000		$549,000
Jackson lock and dam	4,409,000		4,238,000	
Millers Ferry lock and dam				200,000
Walter F. George (Fort Gaines) lock and dam, Alabama and Georgia	20,178,000		20,178,000	
Alaska:				
Douglas Harbor			[1] (364,000)	
Fairbanks		100,000		100,000
Homer Harbor, small-boat harbor	542,000		542,000	
Ninilchik Harbor	[1] (229,000)		[1] (229,000)	
Seldovia Harbor, small-boat harbor	548,000		548,000	
Arizona:				
Alamo Reservoir		175,000		175,000
Gila River-Camelsback Reservoir			150,000	
Tucson		90,000		90,000
Arkansas:				
Arkansas River and tributaries, Arkansas and Oklahoma:				
(a) Emergency bank stabilization	5,000,000		5,000,000	
(b) Other bank stabilization			2,000,000	
Arkansas River and tributaries, Arkansas and Oklahoma (general studies)		381,000		381,000
Beaver Reservoir	2,800,000		2,800,000	
Bull Shoals Reservoir (units 5 and 6), Ark. and Mo	3,200,000		3,200,000	
Bull Shoals Reservoir (units 7 and 8), Ark. and Mo	100,000		100,000	
Dardanelle lock and dam	6,100,000		6,100,000	
DeGray Reservoir		300,000		300,000
Gillham Reservoir		100,000		100,000
Greers Ferry Reservoir	14,143,000		14,143,000	
McKinney Bayou and Barkman Creek, Ark. and Tex	668,000		668,000	
Millwood Reservoir			500,000	
Red River at Garland City			200,000	
Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex	700,000		700,000	
Table Rock Reservoir, Ark. and Mo. (See Missouri.)				
California:				
Bear Creek		70,000		70,000
Black Butte Reservoir	5,900,000		5,900,000	
Bodega Bay			405,000	
Carbon Canyon Dam and channels	1,207,000		1,207,000	
Devil, East Twin, Warm, and Lytle Creeks	1,300,000		1,300,000	
Halfmoon Bay Harbor (Pillar Point)	1,800,000		1,800,000	
Los Angeles County drainage area	13,100,000		13,100,000	
Lower San Joaquin River and tributaries	1,260,000		1,260,000	
Middle Creek	403,000		403,000	
Mill Creek levees	503,000		503,000	
New Hogan Reservoir	1,800,000		1,800,000	
Noyo River and Harbor (breakwater)				56,000
Oroville Reservoir		50,000		50,000
Pine Flat Reservoir	500,000		500,000	
Playa Del Rey Inlet and Harbor	154,000		154,000	
Port Hueneme Harbor	2,422,000		2,422,000	
Russian River Reservoir	400,000		400,000	
Sacramento River	2,200,000		2,200,000	
Sacramento River and major and minor tributaries	1,000,000		1,000,000	
Sacramento River, Chico Landing to Red Bluff		50,000		50,000
Sacramento River deep-water ship channel	8,000,000		7,000,000	
San Antonio and Chino Creeks	1,336,000		1,336,000	
San Jacinto River and Bautista Creek	1,300,000		1,300,000	
San Lorenzo Creek	1,608,000		1,608,000	
Santa Clara River	305,000		305,000	
Santa Cruz Harbor	300,000			
Santa Maria Valley levees	1,850,000		1,850,000	
Success Reservoir	2,588,000		2,588,000	
Terminus Reservoir	6,300,000		6,300,000	
Truckee River and tributaries, California and Nevada. (See Nevada.)				
Tuolumne River Reservoir (new Don Pedro)		25,000		25,000

See footnote at end of table.

Construction, general, State and project	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
Colorado: Trinidad Reservoir		$185,000		$185,000
Connecticut:				
Bridgeport Harbor 1958 Act (351 main harbor)	$750,000		$750,000	
East Branch Reservoir		150,000		150,000
Hall Meadow Brook Reservoir	1,000,000		1,000,000	
Hancock Brook Reservoir				75,000
Mad River Reservoir	870,000		870,000	
Northfield Brook Reservoir				60,000
Pawcatuck				38,000
Thomaston Reservoir	1,547,000		1,547,000	
Delaware:				
Inland Waterway, Delaware River to Chesapeake Bay, Del. and Md.: Canal improvement (pt. II)		103,000		103,000
Rehoboth Beach to Indian River Inlet (reimbursement)	75,000		75,000	
Florida:				
Aquatic plant control. (See Louisiana.)				
Central and southern Florida	10,000,000		11,500,000	
Intracoastal Waterway, Caloosahatchee River to Anclote River	2,000,000		2,000,000	
Intracoastal Waterway, Jacksonville to Miami (10′ by 125′ channel)			400,000	
Lake Worth Inlet to South Lake Worth Inlet, Palm Beach County (reimbursement)	118,200		118,200	
Little Manatee River (deferred for restudy)		12,000		12,000
Port Everglades Harbor, 1958 act	750,000		750,000	
Tampa Harbor, 30-, 34-, and 36-foot channels	117,000		117,000	
Georgia:				
Aquatic plant control. (See Louisiana.)				
Carters Dam				75,000
Columbia lock and dam, Alabama and Georgia. (See Alabama.)				
Hartwell Reservoir, Ga. and S.C	21,375,000		21,375,000	
Savannah River below Augusta	900,000		900,000	
Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)				
Hawaii:				
Hilo Harbor				100,000
Honolulu Harbor	1,216,000		1,216,000	
Kahului Harbor			808,000	
Kawainui Swamp	500,000		500,000	
Idaho:				
Bruces Eddy Reservoir (construction not yet authorized)				600,000
Columbia River local protection: Blackfoot River			(1)	
Illinois:				
Beardstown	700,000		700,000	
Calumet Harbor, Ill. and Ind				70,000
Calumet Harbor and River, Ill. and Ind. (breakwater)		31,000		31,000
Calumet Harbor and River, Ill. and Ind. (Cargill docks only)			225,000	
Campbells Island	175,000			
Carlyle Reservoir	3,500,000		3,500,000	
Chicago, Burlington & Quincy RR. bridge, including channel change	752,000		752,000	
Clear Creek drainage and levee district	270,000		270,000	
East St. Louis and vicinity	2,476,000		2,476,000	
Freeport (deferred for restudy)		10,000		10,000
Hunt Drainage District and Lima Lake Drainage District	900,000		900,000	
Illinois Waterway Calumet-Sag Channel (part I)	9,500,000		7,500,000	
Kenilworth (reimbursement)	5,200		5,200	
Mississippi River between St. Louis, Mo., and lock and dam 26, dam 27, Illinois and Missouri	1,500,000		1,500,000	
Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo.: Regulating works	1,500,000		1,500,000	
Mississippi River between the Ohio and Missouri Rivers (repair dikes and revetments)		20,000		20,000
Mississippi River between Missouri River and Minneapolis, Minn.: Rectification of damages	2,660,000		2,660,000	
Shelbyville Reservoir		250,000		250,000
Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Drainage and Levee District		111,000		111,000
The Sny Basin	1,800,000		1,800,000	
Wood River drainage and levee district	1,180,000		1,180,000	
Indiana:				
Calumet Harbor, Ill. and Ind. (See Illinois.)				
Cannelton locks and dam, Indiana and Kentucky				150,000
Evansville	450,000		100,000	
Huntington Reservoir		125,000		125,000
Indiana Harbor				25,000
Levee unit No. 5, Wabash River				25,000
Louisville lock and dam, Indiana and Kentucky. (See Kentucky.)				
Markland locks and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)				
Mississinewa Reservoir		156,000		156,000
Monroe Reservoir	275,000		275,000	
Salamonie Reservoir		56,000		56,000
Sugar Creek levee		15,000		15,000
West Terre Haute			100,000	
Iowa:				
Decatur Bend Cutoff			155,000	
Dubuque			(1)	
Floyd River and tributaries	791,900		791,900	
Green Bay levee and drainage district No. 2		45,000		45,000
Little Sioux River	2,300,000		2,300,000	
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska (active portion only)				175,000
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska:				
(a) Sioux City, Iowa, to Omaha, Nebr	5,600,000		5,600,000	
(b) Omaha, Nebr., to Kansas City	2,800,000		2,800,000	
(c) Kansas City to the mouth	3,475,000		3,475,000	
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa, Nebr. and S. Dak. (See Nebraska.)				
Muscatine Island Levee District and Muscatine-Louisa County Drainage District No. 13	1,400,000		1,400,000	
Rathbun Reservoir				130,000
Red Rock Reservoir	3,600,000		3,600,000	
Saylorville Reservoir		165,000		165,000
Kansas:				
Council Grove Reservoir	2,000,000		2,000,000	
Frankfort		20,000		20,000
John Redmond (Strawn) Reservoir	3,800,000		3,800,000	
Kansas City, Kans. and Mo			500,000	
Manhattan	800,000		800,000	
Marion Reservoir		150,000		150,000
Milford Reservoir	1,000,000		500,000	
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Ottawa	940,000		940,000	
Perry Reservoir		175,000		175,000
Pomona Reservoir	3,500,000		3,500,000	
Topeka	1,700,000		1,700,000	
Tuttle Creek Reservoir	16,500,000		16,500,000	
Wilson Reservoir	2,000,000		2,000,000	

See footnote at end of table.

Construction, general, State and project	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
Kentucky:				
Barkley Dam, Ky. and Tenn	$17,100,000		$17,100,000	
Cannelton locks and dam, Indiana and Kentucky. (See Indiana.)				
Captain Anthony Meldahl locks and dam (New Richmond), Kentucky and Ohio	15,000,000		15,000,000	
Fishtrap Reservoir		$349,000		$349,000
Greenup locks and dam, Kentucky and Ohio	9,959,000		9,959,000	
Louisville locks and dam (lock and dam No. 41), Indiana and Kentucky	9,215,000		9,215,000	
Markland locks and dam, Indiana, Kentucky, and Ohio	12,600,000		12,600,000	
Nolin Reservoir	2,600,000		2,600,000	
No. 2 Barren Reservoir	2,175,000		2,175,000	
No. 2 Green Reservoir		100,000		100,000
Louisiana:				
Aquatic plant control, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Texas, and Louisiana	700,000		700,000	
Barataria Bay Waterway	1,116,000		1,116,000	
Bayou Chevreuil	502,000		502,000	
Bayou Lafourche				90,000
Calcasieu River and Pass				100,000
Gulf Intracoastal Waterway:				
(a) Freshwater Bayou				90,000
(b) Plaquemine-Morgan City alternate route	4,166,000		4,166,000	
Mississippi River, Baton Rouge to the Gulf of Mexico	2,000,000		2,000,000	
Mississippi River, gulf outlet	8,750,000		8,750,000	
Petit Anse, Tigre and Carlin Bayous			(1)	
Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)				
Maine:				
Eastport Harbor			300,000	
Scarboro River			117,000	
Southwest Harbor			(1)	
Stonington Harbor			(1)	
York Harbor			391,000	
Maryland:				
Baltimore Harbor and Channel, 42 feet, 1958 act	1,500,000		2,000,000	
Inland waterway, Delaware River to Chesapeake Bay, Delaware, and Maryland, canal improvement. (See Delaware.)				
Massachusetts:				
Chelsea Bridge	242,000		242,000	
Littleville Reservoir		154,000		154,000
Quincy shore (reimbursement)	645,000		645,000	
West Hill Reservoir	733,000		733,000	
Westville Reservoir	2,660,000		2,660,000	
Michigan:				
Battle Creek	250,000		250,000	
Grand Haven Harbor (revetment)		27,000		27,000
Grand Marais Harbor	732,000		732,000	
Great Lakes connecting channels	30,000,000		30,000,000	
Hammond Bay Harbor			200,000	
Manistee Harbor				75,000
Menominee Harbor, Mich. and Wis. (south pier and north pier)		31,500		31,500
Presque Isle Harbor				10,000
Saint Marys River: New Poe Lock	1,350,000		1,350,000	
St. Joseph Harbor				84,000
South Haven Harbor				63,000
Trenton Channel Harbor				90,000
Minnesota:				
Duluth-Superior Harbor, outer harbor, Minnesota and Wisconsin				60,000
Minnesota River, 9-foot channel	500,000		500,000	
Mississippi River between Missouri River and Minneapolis, Minn., Rectification of damages. (See Illinois.)				
Red River of the North, Minn. and N. Dak	368,000		368,000	
Redwood River at Marshall				60,000
Rushford		75,000		75,000
St. Anthony Falls	4,900,000		4,900,000	
St. Paul and South St. Paul			500,000	
Two harbors				6,000
Winona		80,000		80,000
Mississippi:				
Aquatic plant control. (See Louisiana.)				
Pascagoula Harbor (33-foot main channel)				100,000
Missouri:				
Bull Shoals Reservoir (units 5, 6, 7, and 8), Ark. and Mo. (See Arkansas.)				
Fabius River Drainage District	350,000		350,000	
Joanna Reservoir				100,000
Kansas Citys, Kans. and Mo. (See Kansas.)				
Kaysinger Bluff Reservoir		400,000		400,000
Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri, dam 27. (See Illinois.)				
Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo.: Regulating works. (See Illinois.)				
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Perry County Drainage and Levee Districts, 1, 2, and 3			75,000	
Pomme de Terre Reservoir	3,600,000		3,600,000	
South River Drainage District				60,000
St. Louis	6,250,000		6,250,000	
Stockton Reservoir		250,000		250,000
Table Rock Reservoir, Ark. and Mo	600,000		600,000	
Montana: Fort Peck Dam (2d powerplant)	4,500,000		4,500,000	
Nebraska:				
Gering Valley	530,000		530,000	
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Missouri River (Kensiers Bend, Nebr., to Sioux City, Iowa, including Miners Bend), Iowa, Nebr., and S. Dak	770,000		770,000	
Salt Creek and tributaries		162,000	412,000	
Shell Creek and tributaries		75,000		75,000
Nevada:				
Gleason Creek (Keystone Reservoir)				20,000
Las Vegas Wash				50,000
Truckee River and tributaries, California and Nevada	154,000		154,000	
New Hampshire: Hopkinton-Everett Reservoirs	8,370,000		8,370,000	
New Jersey:				
Delaware River, Philadelphia Naval Base to Trenton, Pennsylvania and New Jersey	11,700,000		11,700,000	
New York Harbor-New Jersey Pierhead Line, New York and New Jersey. (See New York.)				
Ocean City (reimbursement)	50,000		50,000	
New Mexico:				
Abiquiu Reservoir	4,600,000		4,600,000	
Cochiti Reservoir				50,000
Galisteo Reservoir				50,000
Rio Grande Floodway—Conchiti to Rio Puerco	1,000,000		1,000,000	
Socorro		157,000		157,000
Two Rivers Reservoir	400,000		400,000	

See footnote at end of table.

Construction, general, State and project	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
New York:				
Allegheny River Reservoir, Pa. and N.Y. (See Pennsylvania.)				
Buffalo Harbor, south entrance				$16,000
Buffalo Harbor, north entrance	$1,900,000		$1,900,000	
Endicott, Johnson City, and Vestal	335,000		335,000	
Great Lakes to Hudson River Waterway	400,000		400,000	
Great Sodus Bay Harbor (east and west piers)		$32,000		32,000
Hudson River, New York City to Albany, 32-foot channel	1,880,000		1,880,000	
Jamaica Bay			700,000	
New York Harbor—New Jersey Pierhead Line, New York and New Jersey	886,000		886,000	
Nichols		51,000		51,000
Ohio Street Bridge, Buffalo River	800,000		800,000	
Rochester Harbor				25,000
Selkirk Shores State Park (reimbursement)	18,700		18,700	
South Amsterdam		70,000		70,000
North Carolina:				
Aquatic plant control. (See Louisiana.)				
Morehead City Harbor	942,000		942,000	
Ocracoke Inlet			185,000	
Pantego and Cucklers Creek	473,000		473,000	
Wilkesboro Reservoir	3,300,000		3,300,000	
North Dakota:				
Garrison Reservoir	4,000,000		4,000,000	
Lower Heart River	836,000		836,000	
Red River of the North, Minn. and N. Dak. (See Minnesota.)				
Ohio:				
Ashtabula Harbor				40,000
Belleville locks and dam, Ohio and West Virginia		250,000		250,000
Captain Anthony Meldahl locks and dam, Kentucky and Ohio. (See Kentucky.)				
Cleveland Harbor				20,000
Cleveland Harbor (1958 modification)		200,000		200,000
Cleveland Harbor (east and west breakwater)		20,000		20,000
Dillon Reservoir	4,223,000		4,223,000	
Greenup locks and dam, Kentucky and Ohio. (See Kentucky.)				
Lorain Harbor				300,000
Markland lock and dam, Indiana, Kentucky and Ohio. (See Kentucky.)				
New Cumberland locks and dam, Ohio and West Virginia	6,180,000		6,180,000	
Pike Island locks and dam, Ohio and West Virginia	9,000,000		9,000,000	
Sandusky Harbor				53,000
Shenango River Reservoir, Pennsylvania and Ohio. (See Pennsylvania.)				
Toledo Harbor				60,000
West Branch Mahoning River Reservoir	2,200,000		2,200,000	
Oklahoma:				
Arkansas River and Tributaries, Emergency Bank Stabilization, Arkansas and Oklahoma. (See Arkansas.)				
Arkansas River and tributaries, general studies, Arkansas and Oklahoma. (See Arkansas.)				
Broken Bow Reservoir			500,000	
Canton Reservoir		7,500		7,500
Eufaula Reservoir	20,700,000		20,700,000	
Keystone Reservoir	17,400,000		17,400,000	
Oologah Reservoir	3,700,000		3,700,000	
Pine Creek Reservoir		150,000		150,000
Oregon:				
Blue River Reservoir		136,000		136,000
Columbia River at the mouth, south jetty		50,000		50,000
Columbia River local protection: Malheur River-Vale Unit	112,000		112,000	
Coos and Millicoma Rivers		23,000		
Coos Bay, south jetty		50,000		50,000
Cougar Reservoir	12,300,000		12,300,000	
Green Peter Reservoir	1,400,000		1,400,000	
Hills Creek Reservoir	10,500,000		10,500,000	
John Day lock and dam, Oregon and Washington	37,000,000		33,344,300	
Lower Columbia River bank protection, Oregon and Washington	400,000		400,000	
Lower Columbia River improvement to existing works:				
(a) Multnomah County Drainage District	590,000		590,000	
(b) Rainier Drainage District			200,000	
(c) Sauvie Island Drainage District			150,000	
Rogue River Harbor at Gold Beach	2,018,000		2,018,000	
Siuslaw River, south jetty		30,000		30,000
The Dalles lock and dam, Oregon and Washington	1,900,000		1,900,000	
Umpqua River				30,000
Willamette River Basin bank protection	500,000		500,000	
Yaquina Bay and Harbor		300,000		300,000
Pennsylvania:				
Allegheny River Reservoir, Pa. and N. Y.	4,530,000		4,530,000	
Bear Creek Reservoir	1,067,000		1,067,000	
Bethlehem	1,300,000		1,300,000	
Bradford	1,377,000		1,377,000	
Brookville	500,000		500,000	
Butler, Connoquenessing Creek				25,000
Curwensville Reservoir		280,000		280,000
Dam 4, Monongahela River		130,000		130,000
Elkland		75,000		75,000
Erie Harbor				27,000
Kettle Creek Reservoir	2,200,000		2,200,000	
Maxwell locks and dam, Monongahela River	1,400,000		1,400,000	
Ridgeway			200,000	
Shenango River Reservoir, Pa. and Ohio	2,200,000		2,200,000	
Stillwater Reservoir	455,000		455,000	
Turtle Creek		150,000		150,000
Tyrone		111,000		111,000
Washington	400,000		400,000	
Puerto Rico: San Juan Harbor—1958 act		70,000		70,000
Rhode Island:				
Fox Point Barrier	800,000		800,000	
Point Judith Harbor of Refuge (breakwaters)		13,000		13,000
South Carolina:				
Aquatic plant control. (See Louisiana.)				
Hartwell Reservoir, Ga. and S.C. (See Georgia.)				

See footnote at end of table.

Construction, general, State and project	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
South Dakota:				
Big Bend Reservoir	$10,000,000		$10,000,000	
Fort Randall Reservoir	400,000		400,000	
Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa, Nebr. and S. Dak. (See Nebraska.)				
Oahe Reservoir	53,500,000		53,500,000	
Sioux Falls				$50,000
Vermillion River				50,000
Tennessee:				
Barkley Dam, Ky. and Tenn. (See Kentucky.)				
Cordell Hull Dam				50,000
Texas:				
Aquatic plant control. (See Louisiana.)				
Bardwell Reservoir				125,000
Brazos Island Harbor	100,000		100,000	
Buffalo Bayou and tributaries	2,500,000		2,500,000	
Canyon Reservoir	2,900,000		2,900,000	
Cooper Reservoir and channels	1,000,000		250,000	
Corpus Christi Bridge	512,000		512,000	
Denison Dam and Reservoir (Lake Texoma)			200,000	
Freeport Harbor 36- and 38-foot channels and realinement of outer bar channel	899,000		899,000	
Galveston Harbor (jetties)		$85,000		85,000
Galveston Harbor and channel: Seawall	2,700,000		2,700,000	
Gulf Intracoastal waterway:				
(a) Channel to Port Mansfield	1,600,000		1,600,000	
(b) Colorado River Channel	956,000		956,000	
(c) Guadalupe River channel to Victoria	1,400,000		1,400,000	
Houston ship channel: 40-foot project (bend easing and widening to 36 foot only)	1,240,000		1,240,000	
Matagorda ship channel: 36- and 38-foot channel—1958 act		266,000		266,000
McGee Bend Dam	6,000,000		6,000,000	
McKinney Bayou and Barkman Creek, Ark. and Tex. (See Arkansas.)				
Navarro Mills Reservoir	3,100,000		3,100,000	
Pecos		51,000		51,000
Port Aransas-Corpus Christi Waterway: 36-foot channel	1,500,000		1,500,000	
Proctor Reservoir	1,600,000		1,600,000	
Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex. (See Arkansas).				
Sabine-Neches Waterway	1,800,000		1,800,000	
San Antonio Channel	1,100,000		1,100,000	
Somerville Reservoir		100,000		100,000
Texas City, Galveston Bay		169,000		169,000
Waco Reservoir	11,000,000		11,000,000	
Utah: Weber River and tributaries		35,000		35,000
Vermont:				
Ball Mountain Reservoir	2,223,000		2,223,000	
Burlington Harbor				50,000
North Hartland Reservoir	735,000		735,000	
North Springfield Reservoir	531,000		531,000	
Townshend Reservoir	1,554,000		1,554,000	
Virginia:				
John W. Flannagan (Pound) Reservoir	3,100,000		3,100,000	
North Fork Reservoir				25,000
Washington:				
Chief Joseph Dam	300,000		300,000	
Colfax	425,000		425,000	
Dayton				26,300
Howard A. Hanson (Eagle Gorge) Reservoir	4,400,000		4,400,000	
Ice Harbor lock and dam	30,000,000		30,000,000	
John Day lock and dam, Oregon and Washington. (See Oregon.)				
Little Goose lock and dam		550,000		550,000
Lower Columbia River bank protection, Oregon and Washington. (See Oregon.)				
Lower Monumental lock and dam			1,000,000	
Sammamish River		50,000		50,000
The Dalles Dam, Oreg. and Wash. (See Oregon.)				
West Virginia:				
Belleville locks and dam, Ohio and West Virginia. (See Ohio.)				
East Rainelle	404,000		404,000	
New Cumberland locks and dam, Ohio and West Virginia. (See Ohio.)				
Opekiska lock and dam			500,000	
Pike Island locks and dam, Ohio and West Virginia. (See Ohio.)				
Princeton	350,000		350,000	
Summersville Reservoir	4,400,000		4,400,000	
Williamson	300,000		300,000	
Wisconsin:				
Ashland Harbor				34,000
Duluth-Superior Harbor, Minn. and Wis. (See Minnesota.)				
Eau Galle River		250,000		250,000
Kewaunee Harbor			(1)	
Menominee Harbor, Mich. and Wis. (See Michigan.)				
Milwaukee Harbor (north breakwater and north pier)		71,000		71,000
Milwaukee Harbor—outer harbor (reimbursement)	7,000		7,000	
Sheboygan Harbor (north stub pier and south pier)		32,000		32,000
Wyoming:				
Jackson Hole	150,000		150,000	
Sheridan	340,000			
Emergency bank protection	300,000		300,000	
Local protection projects not requiring specific legislation	2,000,000		1,500,000	
Snagging and clearing	300,000		300,000	
Recreation facilities, completed projects	2,500,000		2,365,000	
Small authorized projects	2,000,000		3,047,000	
Fish and wildlife studies (U.S. Fish and Wildlife Service)	500,000		500,000	
Rehabilitation of existing projects: Construction small rehabilitation projects under $400,000	2,500,000		2,500,000	
Reduction for anticipated savings and slippages	−40,000,000		−52,500,000	
Total	700,203,000	9,216,000	691,946,300	13,145,300
Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	1,400,000		1,400,000	
Grand total, construction, general	701,603,000	9,216,000	693,346,300	13,145,300
	(710,819,000)		(706,491,600)	

[1] Not included in totals—eligible for selection under appropriate lump-sum appropriation at end of table.

Amendment No. 3: Strikes language proposed by the Senate.

Amendment No. 4: Reported in disagreement.

Operation and Maintenance, General

Missouri River, Kansas City to the mouth

The conferees of both Houses are in agreement that the Senate report statement concerning the use of maintenance funds to remove shoals in this section of the Missouri River is to be disregarded and that the prohibition carried in the language of the bill concerning the use of such funds is to be followed without deviation or modification in any manner.

Flood control, Mississippi River and Tributaries

Amendment No. 5: Appropriates $71,896,000 instead of $69,560,000 as proposed by the House and $74,896,000 as proposed by the Senate. The funds appropriated under this heading are to be distributed as follows:

Projects	Budget estimate for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
1. General investigations:				
(a) Examinations and surveys		$60,000		$60,000
(b) Collection and study of basic data		55,000		55,000
Subtotal, general investigations		115,000		115,000
2. Construction and planning:				
Mississippi River levees	2,760,000		3,386,000	
Channel improvement	22,000,000		23,000,000	
Memphis Harbor	640,000		640,000	
Greenville Harbor			150,000	
Vicksburg Harbor	1,370,000		1,370,000	
Old River control	8,400,000		8,400,000	
St. Francis Basin	4,600,000		4,600,000	
Lower White River	150,000		150,000	
West Tennessee tributaries	400,000		400,000	
Wolf River and tributaries	500,000		500,000	
Lower Arkansas	530,000		600,000	
Tensas Basin:				
Boeuf and Tensas Rivers, etc	1,090,000		1,140,000	
Red River backwater	25,000		25,000	
Yazoo Basin:				
Sardis Reservoir	50,000		50,000	
Enid Reservoir	50,000		50,000	
Arkabutla Reservoir	70,000		70,000	
Grenada Reservoir	30,000		30,000	
Lower auxiliary channels	1,555,000		1,805,000	
Main stem	1,040,000		1,040,000	
Tributaries	450,000		450,000	
Big Sunflower River, etc	820,000		820,000	
Yazoo backwater	325,000		325,000	
Atchafalaya Basin	6,000,000		6,300,000	
Lake Pontchartrain	660,000		700,000	
Subtotal, construction and planning	53,515,000		56,001,000	
3. Reduction for anticipated savings and slippages	−1,380,000		−1,470,000	
Total, construction and planning	52,135,000		54,531,000	
4. Maintenance	17,250,000		17,250,000	
Grand total	69,500,000		71,896,000	

TITLE II—DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

General Investigations

Amendment No. 6: Appropriates $4,893,000 instead of $4,575,000 as proposed by the House and $5,376,000 as proposed by the Senate. The increase above the House figure is distributed as follows:

Evaporation reduction materials and methods	$100,000
Middle Gila River project, Arizona	10,000
W. C. Austin project, Oklahoma	25,000
Opal project, Wyoming	156,000
Lahontan Basin, California-Nevada	2,000
For general distribution	25,000

Amendment No. 7: Provides that $3,943,000 of the funds provided for General Investigations shall be derived from the reclamation fund instead of $3,375,000 as proposed by the House and $4,426,000 as proposed by the Senate.

Amendment No. 8: Strikes language inserted by the Senate providing funds for the General Investigations (Special Currency Program).

Construction and Rehabilitation

Amendment No. 9: Appropriates $166,444,880 as proposed by the House instead of $173,855,200 as proposed by the Senate. The conferees are in agreement that the funds provided in this item are to be allocated to projects and activities as shown in the following tabulation:

Projects	Budget for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
Arizona:				
Boulder Canyon project	$2,857,000		$2,857,000	
Colorado River front work and levee system	769,500		869,500	
Gila project	4,219,000		4,219,000	
California:				
Central Valley project	61,306,100		61,278,100	
Colorado River front work and levee system. (See Arizona.)				
Klamath project. (See Oregon.)				
Washoe project. (See Nevada.)				
Colorado:				
Collbran project	5,140,000		5,140,000	
Trinidad project		$5,000		$5,000
Idaho:				
Minidoka project, north side pumping division	429,000		429,000	
Palisades project, Burns Creek Dam and powerplant			(1)	
Spokane Valley project. (See Washington.)				
Nevada:				
Boulder Canyon project. (See Arizona.)				
Washoe project, Prosser Creek Dam and Reservoir	3,137,000		3,137,000	
Washoe project, initial phase		149,000		149,000
New Mexico:				
McMillan Delta project	100,000		100,000	
Middle Rio Grande project	1,729,000		1,729,000	
Oklahoma:				
Washita project	6,960,000		6,960,000	
Norman project				150,000

[1] $487,500 of previously appropriated funds available.

Projects	Budget for fiscal year 1961		Conference allowance	
	Construction	Planning	Construction	Planning
Oregon:				
Crooked River project	$2,235,000		$2,235,000	
Klamath project	868,000		868,000	
Rogue River Basin project, Talent division	2,450,000		2,450,000	
Vale project, Bully Creek extension	173,000			$121,000
Texas:				
Lower Rio Grande rehabilitation project, La Feria division	500,000		500,000	
Lower Rio Grande rehabilitation project, Mercedes division	2,500,000		2,500,000	
San Angelo project	11,000,000		11,000,000	
Utah:				
Provo River project	825,000		825,000	
Weber Basin project	8,283,000		8,183,000	
Washington:				
Chief Joseph Dam project, Greater Wenatchee division	2,000,000		2,000,000	
Columbia Basin project	6,100,000		4,606,000	
Spokane Valley project		$100,000		100,000
Drainage and minor construction	921,120		946,120	
Rehabilitation and betterment	3,609,000		3,609,000	
Subtotal, construction and rehabilitation (exclusive of Missouri River Basin)	128,110,720	254,000	126,440,720	525,000
MISSOURI RIVER BASIN PROJECT				
Colorado: Narrows unit		48,800		48,800
Kansas:				
Almena unit	1,000,000		1,000,000	
Bostwick division. (See Nebraska.)				
Cedar Bluff unit	1,400,000		1,400,000	
Glen Elder unit		133,000		133,000
Kanopolis unit		1,000		1,000
Webster unit	617,000		617,000	
Montana:				
East Bench unit	2,800,000		2,800,000	
Helena Valley unit	565,000		565,000	
Jefferson unit		336,000		336,000
Yellowtail unit	2,500,000		2,500,000	
Nebraska:				
Ainsworth unit	1,500,000		1,500,000	
Bostwick division	821,000		821,000	
Cedar Rapids division		252,800		252,800
Farwell unit	7,700,000		7,700,000	
Frenchman-Cambridge division	5,439,000		5,439,000	
North Dakota: Garrison diversion unit		445,000		335,000
South Dakota:				
Crazy Horse, Tower, Greenwood, and Yankton units		109,400		109,400
Garrison diversion unit. (See North Dakota.)				
Oahe unit		18,000		113,000
Wyoming:				
Glendo unit	775,280		775,280	
Owl Creek unit	455,000		455,000	
Yellowtail unit. (See Montana.)				
Transmission division	24,415,000		24,415,000	
Drainage and minor construction	598,000		598,000	
Subtotal, construction and advance planning (Missouri River Basin)	50,585,280	1,344,000	50,585,280	1,329,000
Investigations		656,000		782,000
Other Department agencies		3,000,000		2,650,000
Total, Missouri River Basin project	50,585,280	5,000,000	50,585,280	4,761,000
Subtotal, construction and rehabilitation	183,950,000		182,312,000	
Undistributed reduction based on anticipated delays	−10,000,000		−15,867,120	
Total, construction and rehabilitation	173,950,000		166,444,880	

The increase of $140,000 above the House figure provided for the Central Valley project is to be used on the Cow Creek Unit (Trinity Division, California).

The conferees of both Houses are in agreement that up to 15% of the $4,606,000 provided for the Columbia Basin project may be transferred to this project for unforeseen contingencies if necessary.

Amendment No. 10: Reported in disagreement.

Operation and Maintenance

Amendment No. 11: Appropriates $31,443,000 as proposed by the Senate instead of $31,000,000 as proposed by the House.

Loan Program

Amendment No. 12: Appropriates $11,642,825, as proposed by the Senate instead of $9,742,825 as proposed by the House.

General administrative expenses

Amendment No. 13: Appropriates $4,290,000 instead of $4,200,000 as proposed by the House and $4,320,000 as proposed by the Senate.

Administrative Provisions

Amendment No. 14: Strikes language inserted by the Senate.

The Senate language providing a salary increase for the Commissioner of the Bureau of Reclamation has been deleted without prejudice. The conferees recognize the outstanding manner in which the present incumbent has discharged his duties. The purpose of the provision was to correct the inequity resulting from the failure to make the recent classified pay raise applicable to officials covered by the Executive Pay Act. As over 200 employees are involved in this category, it was believed that, in lieu of individual corrective action, the matter should await appropriate consideration by the legislative committee.

Bonneville Power Administration

Operation and Maintenance

Amendment No. 15: Appropriates $10,800,000 instead of $10,750,000 as proposed by the House and $10,850,000 as proposed by the Senate.

Southwestern Power Administration

Operation and Maintenance

Amendment No. 16: Appropriates $1,250,000 as proposed by the Senate instead of $1,200,000 as proposed by the House.

TITLE III—INDEPENDENT OFFICES

Atomic Energy Commission

Operating Expenses

Amendment No. 17: Appropriates $2,451,210,000 instead of $2,450,560,000 as proposed by the House and $2,452,960,000 as proposed by the Senate.

The increase above the House figure is for the following:

Reactor development nuclear technology and general support, direct conversion research	$400,000
Isotopes development program	250,000

Amendment No. 18: Strikes House language limiting the amount for the airplane propulsion reactor program to $58,000,000.

Plant Acquisition and Construction

Amendment No. 19: Appropriates $212,750,000 instead of $208,500,000 as proposed by the House and $223,000,000 as proposed by the Senate.

Of the increase above the House figure, $3,500,000 is for a nuclear power reactor at McMurdo Sound in the Antarctic. These funds, plus the $1,500,000 already made available for this purpose by the Department of the Navy, are to be used for full funding of the reactor.

The remaining portion of the increase above the House figure provides $750,000 for a radiation laboratory at the University of Notre Dame.

The Senate proposed also to provide for planning and engineering of a materials research laboratory at the University of Illinois. The program which would be carried on in this laboratory is the same as that being sponsored by the Advance Research Projects Agency of the Department of De-

fense. Under this program, contracts are made with universities which provide for amortization of laboratories to be constructed by the universities. It is considered equitable that the laboratory at the University of Illinois be constructed on the same basis. The conferees of both Houses are in agreement that a laboratory financed in this manner should be considered as either an AEC or an ARPA project.

Amendment No. 20: Reported in disagreement.

U.S. Study Commission—Southeast River Basins

Salaries and Expenses

Amendment No. 21: Appropriates $1,550,000 instead of $1,500,000 as proposed by the House and $1,600,000 as proposed by the Senate.

U.S. Study Commission—Texas

Salaries and Expenses

Amendment No. 22: Appropriates $1,250,000 instead of $1,200,000 as proposed by the House and $1,300,000 as proposed by the Senate.

CLARENCE CANNON,
LOUIS C. RABAUT,
MICHAEL J. KIRWAN,
BEN F. JENSEN,
JOHN TABER,
Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, all appropriation bills for the session, with one exception, have cleared conference. In the 18 bills cleared, the President's budget requests for appropriations have been cut $301,544,748, even after congressional adjustments upward on the defense budget bill and the customary excessive increases in the Labor-HEW budget.

The one remaining bill—the closing supplemental—messaged back from the Senate yesterday, is $232,762,000 over the pertinent budget requests, largely because of the $190 million foreign aid addition inserted by the Senate. Thus the total of this final bill now stands as a substantial mortgage against the net reduction already made on the other 18 bills:

Public works appropriation bill, 1961

Budget estimate	$4,013,793,180
House bill	3,914,798,985
Senate bill	4,030,010,605
Conference report	3,969,982,485
Conference report compared with:	
Budget	−43,810,695
House bill	+55,183,500
Senate bill	−60,028,120

Flood control and navigation study additions made by the House and Senate to the General Investigations Program of the Corps of Engineers

ALABAMA	
Bon Secour River	$6,000
ALASKA	
Knuk River	10,000
Kodiak	10,000
Valdez Harbor	10,000
ARKANSAS	
Lee Creek (c)	3,500
Red River, Oklahoma, Texas, Arkansas, and Louisiana	25,000
CALIFORNIA	
Anaheim Bay Beach erosion	5,000
Bodega Bay	25,000
Cache Creek	10,000
Caliente Creek stream group	15,000

Flood control and navigation study additions made by the House and Senate to the General Investigations Program of the Corps of Engineers—Continued

CALIFORNIA—continued	
Merced County streams	10,000
San Diego River	15,000
San Luis Obispo Harbor	[1] 9,300
COLORADO	
Arkansas River above John Martin Dam	15,000
DELAWARE	
Chincoteague Bay—Delaware Bay, Virginia and Delaware	6,000
FLORIDA	
Big Sarasota Pass	10,000
East Pass Channel	10,000
Frenchmen's Creek	7,000
Martin County	25,000
Panacea-Apalachee Bay	15,000
Ponce de Leon Inlet	14,000
Southwest Dade County	25,000
Sunshine Skyway	4,700
GEORGIA	
Satilla-St. Mary's — Suwanne River, Georgia and Florida	25,000
Savannah River	20,000
HAWAII	
Coast of the Hawaiian Islands	[1] 8,200
Honolulu Harbor and Barbers Point	5,000
IDAHO	
Lower Snake River, Idaho, and Oregon	10,000
ILLINOIS	
Fox River, Illinois and Wisconsin	10,000
Mississippi River — Agriculture levees, Illinois and Missouri	[1] 33,000
Wabash River, Indiana and Illinois	[1] 15,000
Wabash River, Mount Carmel	[1] 15,000
INDIANA	
Little Calumet River, Illinois and Indiana	[1] 5,000
Maumee River, Indiana and Ohio	20,000
Whitewater River	10,000
IOWA	
Mississippi River—Urban areas, Iowa, Illinois, and Missouri	[1] 47,900
KANSAS	
Arkansas River, Great Bend to Colorado-Kansas line	10,000
Walnut River	15,000
KENTUCKY	
Green River locks and dams 3 and 4	$15,000
Rockcastle River	10,000
LOUISIANA	
Mississippi River, Baton Rouge to the gulf	5,100
MAINE	
Androscoggin River	60,000
New Harbor	10,000
Penobscot River	4,000
MASSACHUSETTS	
Edgartown Harbor	11,000
MICHIGAN	
Cedar River Harbor	5,000
Cheboygan inland route	5,000
Cross Village—Good Hart	8,000
Detroit Metropolitan area	[1] 5,000
Gladstone Harbor	7,000
Grand River	[1] 5,000
MISSOURI	
Chariton River	9,000
Meramec Basin	50,000

[1] Increase above the budget figure.

Flood control and navigation study additions made by the House and Senate to the General Investigations Program of the Corps of Engineers—Continued

MONTANA	
Missouri River above Fort Peck Dam	20,000
NEW YORK	
Cazanovia and Cayuga Creeks	[1] 32,500
Cattaraugus Creek Harbor	20,000
Chenango River study	25,000
Lake Erie—Ontario Waterway	[1] 15,000
Wappinger Creek	25,000
NORTH CAROLINA	
Cape Fear	[1] 5,000
Carolina Beach	7,000
Drum Inlet	8,000
Neuse River	[1] 10,000
Pamlico Sound	10,000
Shallotte and Lockwood's Folly Inlets	[1] 15,000
Waccamaw River, North Carolina and South Carolina	10,000
NORTH DAKOTA	
Green River	10,000
Souris-Mouse River	[1] 20,000
Red River, Devil's Lake	10,000
OHIO	
Chagrin River	[1] 32,200
Clear and Rock Forks, Mohican River (c)	5,900
Hacking River (c)	5,000
Licking River	15,000
OKLAHOMA	
Red River pollution abatement study	150,000
OREGON	
Coquille River	10,000
Port Orford	9,000
Tillamook Bay	10,000
PENNSYLVANIA	
French Creek	15,500
Miscellaneous streams, Maryland and Pennsylvania (Wyoming Valley, Pa.—Wilkes-Barre vicinity)	495,000
RHODE ISLAND	
Bristol Harbor	6,000
Dutch Island Harbor	2,000
Providence Harbor	28,000
SOUTH CAROLINA	
Gill's Creek	16,000
TENNESSEE	
J. Percy Priest Reservoir	10,000
TEXAS	
Brazos River (above Whitney Dam)	$10,000
Edwards Underground Reservoir	15,000
Gulf Pentacoastal Waterway:	
(a) Palacios	4,000
(b) Port Mansfield	10,000
Port Aransas-Corpus Christi Waterway	5,000
VIRGINIA	
Beach Creek	6,500
Inland Waterway, Chincoteague Bay to Chesapeake Bay	14,800
WASHINGTON	
Point Roberts	15,000
Seattle Harbor, Duwamish Waterway	25,000
Total	1,901,100

[1] Increase above the budget figure.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain tables.

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

There was no objection.

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

Mr. CANNON. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Speaker, the chairman of the Committee on Appropriations [Mr. CANNON] has given some figures relating to this bill but I think those figures should be supplemented by the following figures:

The public works appropriation bill for 1961 budget estimate was $4,013,793,180. The House bill as it passed the House provided for $3,914,798,985. The Senate raised that figure by $116,211,620, making a total of the Senate bill $4,030,010,605. The conference report comes back to the House in the amount of $3,969,982,485, or $60,028,120 below the Senate figure and $43,810,695 below the budget.

Mr. Speaker, as everyone knows, this is a bill which includes the Atomic Energy Commission's request for funds, and for all flood control, reclamation, irrigation, river and harbor improvement, hydropower projects, and so forth, nationwide. We have done the best we could to eliminate unnecessary projects and reduce amounts in the bill which we thought were exorbitant. In many items I feel we have done as good a job as possible, and I hope this conference report will be accepted.

Mr. CANNON. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill is brought back with less new starts than it was expected we would be able to do, but the 22 new projects that are included will ultimately cost $365 million, which will have to be added year by year to the items that have heretofore been considered by the committee.

Mr. Speaker, I include as part of my remarks the following table:

1961 public works appropriation bill

	Number	Total estimated Federal cost
New construction starts added	[1] 23	[1] $350,567,000
Budgeted new construction starts deleted	−5	−7,928,000
New cost of new commitments	18	342,639,000
Resumptions of old projects	[2] +4	[2] +12,827,000
Total (net change)	22	355,466,000

[1] 19 added by Senate, total cost of $339,348,000; 4 added by House, total cost of $11,219,000.

[2] 3 added by Senate, total cost of $11,082,000; 1 added by House, total cost of $1,745,000.

(In addition, a total of 50 new unbudgeted planning starts included in bill of which 16 were added by House; 34 by the Senate.)

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a table.

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

There was no objection.

Mr. CANNON. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, the Public Works Appropriations conference report is a great disappointment to the people of Illinois because it deletes from the public works appropriations bill the $900,000 appropriation inserted by the Senate for the removal of the Western Avenue highway bridge. This is an appropriation which in all justice and fairness should have been approved by the House conferees. Compounding the injury is the fact that the manner in which the conference reached agreement precludes bringing the matter before the House for a separate vote. Had the Senate not receded and had the item been reported in disagreement, a separate vote could have been had upon the amendment. This cannot be done now. Under the parliamentary situation now, the only way to upset the conferees' action is to reject the entire bill, an obviously impossible goal.

Mr. Speaker, Members of Congress from Illinois have made their position known time and again to the members of the Public Works Subcommittee of the Appropriations Committee. We have been unable to move them from their opposition to this appropriation, even though reason and equity are on our side. Their argument was presented in a letter written by one of the members to the dean of the Illinois delegation, Hon. THOMAS J. O'BRIEN, and it stated the justification for the subcommittee's action, as follows:

ILLINOIS WATERWAY—CALUMET-SAG

The critical consideration underlying the committee's action on this item is that this particular project was singled out for special consideration with respect to local contributions. When the Truman-Hobbs Act was amended in the 82d Congress to provide that the cost of relocating highway bridges would be shared between the Federal Government and the owners, there was no intention that it should be applied retroactively to either already authorized projects or those in the construction stage.

In the public works authorization bill of 1958, this particular project was singled out for preferential treatment and language was included to make the provisions of the amended Truman-Hobbs Act retroactive in order to relieve the local interests of a cost of $10 million in the relocation of highway bridges which they had committed themselves to in order to get the project authorized in the first place.

There are, of course, many instances in which liberalizing legislation alters the more stringent requirements of earlier acts and authorizations. However, it can certainly be considered unusual when there is a following action in a specific instance to go back of the liberalizing legislation and apply its provisions to already accomplished projects and contracts. The committee considers this a dangerous precedent. There is enough inequity in water resources legislation without adding to it in as obvious a manner as has been done in this particular case. The view that the committee insists is a correct one is that this action has the practical effect of penalizing the contributors on all prior projects for having met the commitments on which their projects were originally authorized.

The point has been made that the specific instruments received by the corps on local assurances indicate that the local interests expected to pay all costs of relocations of highway bridges under laws existing at the time of their construction and that this means that the amended Truman-Hobbs Act should apply in figuring their contribution on highway bridges. If these assurances were valid there would have been no reason for the special legislation in the public works bill of 1958.

When the project was originally authorized in 1946, it was on the basis that the full cost of highway relocations would be carried by the local interests and a search of the hearings and the reports on this authorization fail to show that there was any such conditioning on the local contribution commitments before the legislative committee when the project was authorized. The fact that assurances were later finalized in these terms has no bearing on the issue since they could not be accepted in this form by the corps under the strict terms of the original authorization on the project.

Pertinent report statements in connection with this question are, as follows:

1. From the report of the Committee on Public Works on the river and harbor, beach control, and flood control project authorization bill for 1958, page 69:

"Local interests were required to bear the cost of alterations to highway bridges in accordance with policy at that time."

2. From the report of the Secretary of the Army, House Document No. 45, dated January 3, 1957 on the Illinois Waterway and Grand Calument River, Ill. and Ind. (Calumet-Sag navigation project), page 2:

"The district engineer states that for the existing project, the cost of alterations to highway bridges was assigned to local interests in accordance with the then-established policy of Congress under the General Bridge Act, approved March 23, 1906. This assignment was generally acceptable to local interests at the time the project was authorized."

Page 15: "The present authorization for the Calumet-Sag project requires as a condition of local cooperation that the cost of all highway-bridge alterations will be borne by local interests."

Page 22: "Legislation contained in Public Law 564 of the 82d Congress, in amending the Bridge Act of 1940 to include publicly owned highway bridges, contains no retroactive provision, and application of the amended act retroactively to highway bridges included in previously authorized navigation projects is not considered proper or justified."

There are three parts to this project. The special provision in the 1958 authorization, designed to relieve the local sponsors of a $10 million commitment which was a condition precedent to authorization, involves only part I. If this provision is implemented with appropriations, it would logically follow that the local contribution of $38 million more on parts II and III, also a condition precedent to authorization, would be excused.

It is, of course, speculative as to whether or not there would have been favorable action on the original authorization if this total of $48 million had been planned as an additional Federal cost. Under such circumstances, the Federal cost is $183 million and the local cost is only $17 million, instead of $135 million Federal and $65 million local, which the original authorization anticipated.

Mr. Speaker, an analysis of the subcommittee's position shows that the subcommittee's conclusions are not well founded for the following reasons:

First. There is no basis in fact or legislative history for the assertion in the first paragraph that at the time of the enactment of the amendment to the Truman-Hobbs Act it was intended that it would not be applied retroactively to either already authorized projects or those in the construction stage. If there had been a declaration of any such legis-

lative intention, certainly it would have quoted it from either the bill, the reports, or the CONGRESSIONAL RECORD. Page 17 of the report of the subcommittee for 1961 itself points out:

> The Truman-Hobbs Act was silent on the question of applying its provisions to already authorized projects and projects in the construction stage.

There is no merit to the contention that such an interpretation will require payment by the Federal Government for all highway bridges constucted prior to passage of the Truman-Hobbs amendment. I believe, however, that projects upon which construction was not begun until after passage of the amendment in 1952 should certainly be examined to determine whether they are so important to the national interest as to warrant the assumption of payment by the Federal Government for removal of any highway bridges involved in the project. The Engineers so described this project.

Second. This paragraph is entirely conjectural. The facts are that the Public Works Committee in 1958 considered whether the Cal-Sag project was of sufficient importance to warrant assumption of the cost by the Federal Government of removing the highway bridges. The matter was submitted to the Corps of Engineers for its recommendation. The Corps could have taken the same viewpoint as the subcommittee. It could have declared that the amendment to the Truman-Hobbs Act was not meant to apply to projects authorized prior to the 1952 amendment. However, the Corps came to the opposite conclusion. It declared that because of the importance of the development, the cost of removing highway bridges should be assumed by the Federal Government in the same manner as railroad bridges—House Document No. 45, 85th Congress, 1st session. The Public Works Committee approved the recommendation of the Corps of Engineers. The Bureau of the Budget, which cannot be accused of approving projects which are not authorized or which are given preferential treatment, approved a budget item for the appropriation to remove the highway bridges.

The subcommittee's adamance is shown by its position in which it refused even to grant funds for the removal of railroad bridges. There can be no possible question but that the appropriation for removing such bridges should be granted. Yet, it is said on page 17 of its report that it would not approve the appropriation of any additional funds for the project, because "it is the committee's intention that no new work be undertaken on this project until the question of financing the highway bridges has been settled in favor of the Federal Government." If this intractable attitude prevails, the investment by local governments and the Federal Government in excess of $100 million is likely to go down the drain.

Paragraph 3 states that "the committee insists that this action has the practical effect of penalizing the contributors on all prior projects for having met the commitments on which their projects were originally authorized." This is again a conclusion which is not based on fact or upon recognition of the effect of legislation. The same argument might be made against approving funds for removals authorized and constructed following passage of the Truman-Hobbs amendment. If some local governments have paid for removal of projects prior to 1952, why should those whose projects happened to follow the critical date be relieved of payment? The reason, of course, is the fact that passage of a law establishes a separation and may grant benefits where they did not previously exist. There are always fringe cases, such as the present one, which require special interpretation to determine whether the benefits should be conferred or not.

However, that question was passed on by three relevant and authoritative agencies, the Corps of Engineers, the Public Works Committee, and the Bureau of the Budget. All decided that the present case was one in which the costs should be assumed by the Federal Government. This subcommittee said no.

Fourth. The next paragraph indicates that local interests have given assurances of their expectation to pay the cost of relocating the highway bridges. Assuming for the purpose of argument that this is true, and I do not know whether it is because I have not seen the instruments, must payments still be required of such local interests if it is legal and equitable for assumption of such costs by the Federal Government? Suppose such assurances had been given in 1946 and the amendment to the Truman-Hobbs Act had been passed in 1946 prior to the authorizing legislation: Would the subcommittee then have insisted, too, that because agreement to pay such costs had been given by the local government that passage of the amendment would not have relieved them of their obligations? Of course not.

Fifth. The next paragraph is only a half statement of the pertinent facts. Of the assertions in the paragraph, it is stated that a search of the hearings and reports in 1946 failed to show that there was any conditioning of local contribution commitments before the legislative committee. Even if that be true, that exact question was presented to the Public Works Committee of the House during the 85th Congress, 2d session. In its report on H.R. 12955, House Report 1894, at page 69, the committee said:

> The review made by the Corps of Engineers of the existing project was directed at determining if the conditions of local cooperation with respect to highway bridges should be modified in any way at this time.

After considering this question, which is the heart of the controversy, the committee said:

> It [the committee] considers that modification of part 1 to accomplish that portion of the waterway for which funds have been appropriated should be made, and recommends that the highway bridge cost of $9,884,000 in part 1 of the improvement be borne by the Federal Government.

Sixth. The next paragraph dealing with "pertinent report statements" distorts the action of the Committee on Public Works. It is like citing the dissenting opinion of a law case to justify a position, for if one reads the balance of section 109 from which the statement is taken, one finds the recommendation of the committee as follows, and I quote it again:

> It considers that modification of part I to accomplish that portion of the waterway for which funds have been appropriated should be made, and recommends that the highway bridge cost of $9,884,000 in part I of the improvement be borne by the Federal Government.

The subcommittee's next argument uses the same approach. Again, they are half statements which result in improper conclusions from the documents. One needs only to quote the statement and the balance of the paragraph on page 22 of the document alluded to, namely, House Document No. 45 of the 85th Congress, 1st session, as follows:

> The legislation contained in Public Law 564, 82d Congress, in amending the Bridge Act of 1940 to include publicly owned highway bridges contains no retroactive provision, and application of the amended act retroactively to highway bridges included in previously authorized navigation projects is not considered proper or justified. It is proper, however, to consider further the extent of local participation with regard to the cost of alteration of highway bridges in the light of present conditions, including the policy of Congress as contained in the 1942 amendment to the Bridge Act. Alteration of the highway bridges involved in the Calumet-Sag project is not necessary to remove any unreasonable obstruction to navigation under existing channel conditions but is required to permit the extensive widening of the channels beyond the present tops of banks in order to undertake the presently authorized projects to provide for a waterway to accommodate prospective navigation. Consequently, the alteration of bridges is an essential and integral part of the improvement. The only special local benefits accruing from the project are those resulting to bridge owners from the bridge construction program.
>
> 50. In view of the predominantly general nature of the benefits accruing from the project and of the major local contributions toward the development of the project, and in consideration of the special benefits to highway bridge owners, it is considered equitable that the allocation of cost of highway bridge alterations be made in accordance with the provisions of section 6 of Public Law 647, 76th Congress, as amended, in a similar manner to that authorized for railroad bridges.

If one reads the rest of the report by the Corps of Engineers it will be noted the recommendation by the corps that the cost should be assumed by the Federal Government in the same manner in which the Government assumes the cost for removal of railroad bridges.

Mr. Speaker, finally, in conversations with members of the subcommittee it was suggested that the present attitude of the Corps of Engineers be ascertained. Accordingly, General Itschner was contacted, and again asked for the corps' recommendation. On May 17, the corps reaffirmed its earlier recommendation that the Federal Government should pay the costs of removing the highway bridges.

Mr. Speaker, proponents of the appropriation have done everything possible to sustain their position. In spite of the

fact that the Corps of Army Engineers, the Public Works Committee of the House and the Bureau of the Budget have all approved the appropriation, the members of the Appropriations Subcommittee refuse to change their position.

It is unfortunate that the matter cannot be brought before the House today for a vote. I believe that if the matter were presented to the House for its consideration, the subcommittee's viewpoint might be overruled.

Whether the question can be raised again next year is problematic. Obviously the bridges must be removed if the work on this vital waterway is to continue, and the work must be completed as promptly as possible. Whether it can be delayed sufficiently to permit another attempt to obtain a redetermination of this controversy is not known at this time and I shall reserve that question until I have had an opportunity to check the matter further.

Mr. CANNON. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I would like to inquire if it is not the basic purpose of this supplemental appropriation to cover deficits in the previous year's spending. Here, if I understand the situation right, you are proposing to inject expenditures or make money available for expenditures in this year, which has nothing to do with a deficiency appropriation at all.

Mr. CANNON. This is not a deficiency bill. This is a public works bill. The matter the gentleman refers to was covered in the bill which just went to conference.

Mr. Speaker, I yield such time as he may desire to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I very much regret the misunderstanding in the Appropriations Committee of the House which has resulted in the deletion from this bill of the amount of $23,000 which was budgeted for preconstruction planning on the Coos and Millicoma Rivers project in my district.

Apparently some members of the committee felt that this project would be in the nature of a subsidy for private industry—a sort of an unnecessary water substitute for a timber access road to serve private timber stands. I hope that next year we will be able to have full hearings on this point. I know that it can be shown that this project would serve vast stands of public timber, much of it Federal timber, as well as creating some benefits for industry in the area. To construct access roads in lieu of the project would be immensely expensive. The cost per mile of even minimum standard logging roads in that area is not less than $20,000 and often as high as $60,000.

The Corps of Engineers had carefully studied this project and brought in a favorable report. It has been ready for a planning start for 3 years and the administration included it finally in this year's budget. It should have been approved by both committees and made a part of this bill. However, the House committee knocked it out, it was restored by the Senate committee and deleted again by the conferees.

I certainly intend to do everything possible, if I am returned to Congress, to have this project appropriation reconsidered and acted upon favorably at the next session.

Mr. CANNON. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Speaker, I will take just a moment to congratulate and commend the subcommittee conferees upon the splendid job which they have done with a very difficult task.

Mrs. MAY. Mr. Speaker, I wish to say, as a matter of record, that the full amount of $6,100,000 recommended by the President for construction work on the Columbia Basin reclamation project in the State of Washington was not allowed by the conference committee. The agreement reached, instead, provides for $5,296,900, including funds which can be transferred to the project for unforeseen contingencies.

What this means, of course, is that some construction work will have to be deferred until 1962, instead of being programed at this time. It is too early to be able to determine exactly where the necessary cutbacks in construction will occur, but I have been assured by the Bureau of Reclamation that most urgent priority work can be carried out with the funds allowed by the conference committee.

I feel it is regrettable that the full amount of $6,100,000 in the President's budget could not have been retained because all of the work which had been programed could be accomplished within the limits of the existing farmers' 1945 repayment contract. I believe it is now clear, moreover, that progressive steps are being taken by both the irrigation districts and the Bureau of Reclamation toward putting a new and more satisfactory contract into operation at the earliest practicable date.

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

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

There was no objection.

Mr. PRICE. Mr. Speaker, H.R. 12326, as reported out to us by the conference committee, does not contain the funds required to start design work on the materials research laboratory at the University of Illinois. I think this was a serious oversight. I am happy to report, however, that I have been assured by the Chairman of the Atomic Energy Commission that design work will be provided for this facility from AEC operating appropriations so that time will not be lost.

I think a brief summary of the consideration of the University of Illinois Materials Research Laboratory during the year will be of value for the record. The Joint Committee on Atomic Energy added project 61–f–8, authorizing $5,600,000 for the construction of the laboratory, to the Atomic Energy Commission's fiscal year 1961 authorization bill. This was done by the Joint Committee because the importance of research work in the field of materials to the atomic energy program was recognized and the special talents of the University of Illinois to perform this work was also recognized.

The Congress agreed in the need for the materials research laboratory for the University of Illinois and approved the inclusion of the item in the AEC authorization bill.

During subsequent consideration of the appropriation bill for the Atomic Energy Commission on May 26, 1960, before the Senate Appropriations Committee, Mr. McCone, Chairman of the AEC, testified in support of the project. In his testimony Mr. McCone explained why the project was not included in the original bill submitted to the Congress by the Commission and why, now that a policy question concerning the financing of laboratories has been settled, it could be included.

Quoting from the testimony, Mr. McCone explained it this way:

Mr. MCCONE. Something over a year ago, 18 months ago now, a study was made of the facilities throughout the country for materials research. It was recognized by those who made the study—this study was done under the direction of the scientific adviser to the President—that the country was lagging in its facilities for basic material research and, therefore, a recommendation was made that several laboratories be constructed at universities and the interested agencies of Government undertake to finance these laboratories. The total of the six was in the order of capital costs of $30 million to $35 million, and it was indicated the operating costs would be about $20 million per year.

The Atomic Energy Commission considered this matter very seriously, as did the Department of Defense. Of the six, one of the ones most attractive to us, because of the quality of the men, was the one at Illinois.

We, however, deferred action because no policy was developed at the Government level on construction of facilities at university sites at private universities or State universities using Federal funds, although there have been at various times very extensive amounts of Federal funds used at universities for this purpose by the Atomic Energy Commission and others.

It was for that reason, the absence of national policy, that we deferred action on the University of Illinois project at the time that our authorization bill was formulated and our appropriation bills submitted to the Bureau of the Budget.

Subsequently the Federal Council, Science Council, has more or less agreed, certainly informally, and perhaps formally.

Mr. WILLIAMS. I think they have adopted the resolution formally.

Mr. MCCONE. They have adopted the resolution formally, thereby indicating that this was a thing we should support. Therefore, although this item was not included in our authorization bill, when it was included by the committee, we considered it and felt that in the ensuing months the project could be advanced by the expenditure of design money and negotiations with the university so that we could submit the whole amount in an orderly fashion next year and that is what we intended to do.

I think we will have funds that would be available for design although we do not have any particular item in our budget. A million dollars is in the order of magnitude of the funds we might be able to use.

The University of Illinois facilities would be in our opinion desirable.

As indicated in the above-quoted testimony, the AEC considers the University of Illinois one of the most attractive materials research facility proposals because of the abilities of the scientists at the university. The testimony also indicates the intent of the Commission to proceed with the design of the University of Illinois facility.

In summary, although the authorization for the University of Illinois Research Laboratory was deleted from the AEC appropriations bill, the necessary design work on this important facility will be able to proceed and consideration for full authorization of construction can be handled in the next appropriations bill.

RADIATION RESEARCH LABORATORY FOR THE UNIVERSITY OF NOTRE DAME

I was also happy to see that the planning and engineering work for the Radiation Research Laboratory at the University of Illinois was included in the AEC appropriation bill for next year. The Notre Dame facility was also recognized by the Joint Committee and the Congress as a necessary item in our atomic energy program and, accordingly, also added to the Atomic Energy Commission's authorization bill this year.

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MONAGAN. Mr. Speaker, I support this public works conference report.

It contains provision for two new important flood control works in my district. I refer to the funds provided for planning projects at Hancock Brook and Northfield Brook. Although these projects were not included in the President's Budget, nevertheless, it has been possible to get authorization and appropriation at the same time and this represents a very unusual procedure but one which means that we do not have to wait until 1961 to obtain the money for these projects.

Also included in the bill are funds for the continuance of construction at the Thomaston Dam, at Mad River, at East Branch Brook and Hall Meadow Brook. Thus again, this year, we take a great step forward. Our program is not complete but with the inclusion of these new works we have moved well toward the initiation of the major works required in the engineers plan for this area.

We must, of course, continue to press for the completion of this program and for appropriations for the final projects at the earliest possible opportunity.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 22, after "bridge" insert ": *Provided further* That not to exceed $200,000 of the funds herein or hereafter provided for 'Construction, general,' shall be available for the construction of necessary bank stabilization and other protective measures on Red River in the vicinity of the St. Louis Southwestern Railroad and the Arkansas State highway bridges at Garland City, Arkansas: *Provided further,*".

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 10, line 18, after "customer" insert ": *Provided further*, That not to exceed $25,000 shall be available toward investigation and the emergency rehabilitation of the Dalton Gardens, Avondale, and Hayden Lake Unit, Rathdrum Prairie Irrigation Projects, Idaho, to be repaid in full under conditions satisfactory to the Secretary of the Interior."

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 23, line 22, after "gram" insert ": *Provided further*, That not to exceed $13,000,000 of this appropriation may be transferred to the appropriation 'Other procurement, Navy', solely for construction of power reactor plants for the Antarctic".

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert ": *Provided further*, That not to exceed $3,500,000 of this appropriation shall be transferred to the appropriation 'Other procurement, Navy', solely for construction of power reactor plants for the Antarctic".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, the action of the Congress in refusing to approve $2.9 million for necessary relocation of railroad and highway bridges over the Cal-Sag Channel constitutes a major detriment to the completion of this vital project. I wish to point out to you that this Cal-Sag navigation project easily ranks as one of the most vital in the Nation, since it represents the necessary link between the commerce now generating through the St. Lawrence Seaway and the commercial traffic on the inland waterway system which serves all of mid-America.

Work on the Cal-Sag Channel has continued at a rapid pace, a tribute to the citizen communities that have provided the inspiration, and the recognition by the Corps of Engineers of the importance of this program.

Behind the Cal-Sag project stands a record of intense local participation; a record of accomplishments and spending amounting to millions of dollars. Three years ago, the Illinois General Assembly passed a bill which granted the metropolitan sanitary district the authority to issue bonds to provide purchase of land necessary for the channel-widening project. I must point out to you that local cooperation has been received from the city of Chicago and numerous suburban communities, county of Cook, through which the channel runs, State of Illinois, and, as indicated, the Sanitary District of Chicago—all of which have contributed direct funds as well as tremendous amount of time and energy on the part of their officials to the furtherance of this project.

Mr. Speaker, an important phase of the Cal-Sag project is the replacement, alteration, or removal of railroad and highway bridges in conformity with the horizontal and vertical clearance requirements of the vastly improved channel. It must be pointed out that in the omnibus rivers and harbors bill of 1958, the House Public Works Committee, after a separate survey report had been ordered and processed through channels, authorized the inclusion of the Western Avenue Highway Bridge under the Truman-Hobbs Act. Their reason for so doing, that they felt this to be sufficiently justified, may I call your attention to House Report 1894, 85th Congress, 2d session, section 109, on page 69, which gives a detailed explanation of the reason for the inclusion of this project in the 1958 act:

The committee recognizes the importance of the Cal-Sag Navigation Project as a vital link, through commerce, between the Great Lakes and Mississippi-Ohio Inland Waterway system.

Mr. Speaker, I regret the failure of the committee to properly assess this matter.

My purpose in calling this matter to your attention at this time is in the hope that the Members of the House, especially those members of the Appropriations Committee, will carefully study this matter and in the early days of the 87th Congress move to rectify what I consider to be a serious error in judgment.

"PLEDGE OF ALLEGIANCE TO THE FLAG"

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 704) to remove copyright restrictions upon the musical composition "Pledge of Allegiance to the Flag," and for other purposes.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the musical composition "Pledge of Allegiance to the Flag", covered by copyright EU399400, granted to Irving Caesar on June 3, 1955, assigned by Irving Caesar to Congressman Louis C. Rabaut by an instrument recorded in the Office of the Register of Copyrights in assignment record book 942 at page 57, and assigned by Congressman Louis C. Rabaut to the Congress of the United States by an instrument recorded in the Office of the Register of Copyrights in assignment record book 943 at page 451, is hereby declared to be in the public domain.

SEC. 2. The Joint Committee on Printing is authorized and directed to cause to be prepared three arrangements of the musical composition "Pledge of Allegiance to the Flag" suitable for use in nonprofessional performances. One arrangement shall be for vocal, one for band, and one for orchestral performance. The Joint Committee on Printing shall cause to be printed and distributed one hundred copies of each such arrangement to each Member of Congress and to the Resident Commissioner from Puerto Rico.

SEC. 3. The Joint Committee on Printing shall cause copies of the arrangements authorized by section 2 to be printed for sale to the public through the Superintendent of Documents, and shall cause additional copies to be printed from time to time for such purpose in such quantities as may be necessary to meet public demand. Such sales shall be made at such prices as the Committee may from time to time determine as adequate to cover the cost of printing.

With the following committee amendment:

Page 2, line 17, strike out "Such sales shall be made at such prices as the committee may from time to time determine as adequate to cover the cost of printing."

The committee amendment was agreed to.

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

A motion to reconsider was laid on the table.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. RABAUT. Mr. Speaker, House Joint Resolution 704, which just passed the House, represents the culmination of several years of work concerning the "Pledge of Allegiance" to our flag. As you will recall the President, on Flag Day—June 14—in 1954, signed into law the legislation which I introduced to insert the words "Under God" in the "Pledge of Allegiance." On Flag Day of the following year, 1955, as you will also recall, the Pledge was played and sung on the floor of the House in an unprecedented ceremony. Subsequent to that the copyright to the song, which was held by the composer, Irving Caesar, was turned over to me and I, in turn, assigned the copyright to the Congress. That is where the matter stands at the present time. However, with the Congress holding the copyright, it develops that the many groups, organizations, schools and so forth that would like and would have occasion to use the song cannot freely do so. As a consequence, I introduced the resolution just passed for the purpose of making this song, "Pledge of Allegiance to the Flag," public domain. This will enable anyone who so desires to use, print, reproduce and distribute this musical composition without restrictions or inhibitions.

Further than this, House Joint Resolution 704 authorizes and directs the Joint Committee on Printing to cause to be prepared three arrangements of the song. One of these arrangements will be for vocal, one for band, and one for orchestra. Mr. Donald Hunsberger, of the Crane Department of Music, New York State Teachers College, has graciously donated his services for the preparations of these arrangements. This resolution further directs the Joint Committee on Printing to print and distribute to each Member of Congress 100 copies of each arrangement. These would be for the specific purpose of allowing each Member to present these arrangements to schools and various groups in his home area. In addition the committee is also directed to print copies of the arrangements for sale to the public through the Superintendent of Documents in sufficient numbers to meet public demand.

Mr. Speaker, this is a very worthwhile undertaking. It is primarily aimed for the children of the country. The arrangements will be purposely simple in form with the foremost objective being their use by school chorus, classroom singing periods, school bands, and the like. As we all know, the children of today are the lifeblood of America's future. We know also that music and song constitute one of the highest forms of praise and devotion. I submit, Mr. Speaker, that there is no better place to concentrate on teaching and instilling love of country and devotion to the national flag in the children of this Nation than through the schools. This is the primary intent of the resolution. However, not only the children will benefit. In a time when all of us are so concerned with vast international problems and the many major domestic issues, it is well indeed that we reflect and lay new emphasis upon the basic principles for which this Nation stands. Those principles are all embodied in the shining symbol of this country—our flag. When we pledge our allegiance to our flag, we are pledging our devotion to the fundamental precepts for which it stands—freedom, democracy, justice, and equality. The more emphasis we can lay on this pledge, this allegiance, the stronger our Nation will be. This resolution will further that purpose.

CONSENT CALENDAR

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

AGRICULTURAL ATTACHÉ ROTATION

The Clerk called the bill (H.R. 8074) to amend section 602 of the Agricultural Act of 1954.

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

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

There was no objection.

CLAIMS OF CERTAIN EMPLOYEES OF ALASKA RAILROAD

The Clerk called the bill (H.R. 4084) to confer jurisdiction upon the Court of Claims to determine the amounts due and owing and render judgment upon the claims of certain employees of the Alaska Railroad for overtime work performed.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

MARKER TO COMMEMORATE ACHIEVEMENTS OF JOHN C. PAGE

The Clerk called the joint resolution (H.J. Res. 416) to provide for the erection in the city of Page, Ariz., of an appropriate marker to commemorate the achievements of former Commissioner of Reclamation, John C. Page.

Mr. PELLY. Mr. Speaker, at the request of another Member who could not be present, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

USE OF PESTICIDES OR OTHER CHEMICALS

The Clerk called the bill (H.R. 12419) to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WEAVER, Mr. MARSHALL and Mr. NATCHER objected.

OPERATION ROUTE OF POSTAL POWERBOAT SERVICE IN ALASKA

The Clerk called the bill (S. 1849) to amend the act of August 10, 1939, authorizing the Postmaster General to contract for certain powerboat service in Alaska.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

NATIONAL GUARD CLAIMS

The Clerk called the bill (H.R. 5435) to extend the Federal Tort Claims Act to members of the National Guard when engaged in training duty under Federal law, and for other purposes.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2671 of title 28, United States Code, is amended to read as follows:

"§ 2671. Definitions

"As used in this chapter and sections 1346(b) and 2401(b) of this title, the term—

"'Federal agency' includes the executive departments and independent establishments of the United States and corporations primarily acting as instrumentalities or agencies of the United States, but does not include any contractor with the United States.

"'Employee of the Government' includes officers or employees of any Federal agency; members of the military or naval forces of the United States and, while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32 of the United States Code or other provision of law under which they are entitled to Federal pay or for which such pay has been waived; members of the National Guard, as defined in section 101(2) of title 32 of the United States Code; civilian employees of the National Guard of a State, Territory, or Commonwealth, employed under the authority contained in section 709 of title 32 of the United States Code, and paid from Federal funds; and persons acting on behalf of a Federal agency in an official capacity, temporarily or permanently in the service of the United States, whether with or without compensation.

"'Acting within the scope of his office or employment' in the case of a member of the military or naval forces of the United States or, while engaged in training or duty under section 316, 502, 503, 504, or 505 of the United States Code, or other provision of law under which he is entitled to Federal pay or for which such pay has been waived, a member of the National Guard, as defined in section 101(2) of title 32 of the United States Code, means acting in line of duty."

SEC. 2. Section 2733(f) of title 10, United States Code, is amended to read as follows:

"(f) For the purposes of this section

"(1) a member of the Coast and Geodetic Survey or of the Public Health Service who is serving with the Navy or the Marine Corps,

"(2) a member of the National Guard who is engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32 of the United States Code, or other provision of law under which he is entitled to Federal pay or for which such pay has been waived, and

"(3) a civilian employee of the National Guard of a State, Territory, or Commonwealth, employed under the authority contained in section 709 of title 32 of the United States Code and paid from Federal funds, shall be treated as if he were a member of the armed force concerned."

Amend the title so as to read: "A bill to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard."

With the following committee amendment:

Strike all after the enacting clause and insert:

"That chapter 7 of title 32, United States Code, is amended—

"(1) by adding the following new section at the end thereof:

"'§ 715. Property loss; personal injury or death: activities under certain section of this title

"'(2) Under such regulations as the Secretary of the Army or Secretary of the Air Force may prescribe, he or, subject to appeal to him, the Judge Advocate General of the armed force under his jurisdiction, if designated by him, may settle, and pay in an amount not more than $5,000, a claim against the United States for—

"'(1) damage to, or loss of, real property, including damage or loss incident to use and occupancy;

"'(2) damage to, or loss of, personal property, including property bailed to the United States or the National Guard and including registered or insured mail damaged, lost, or destroyed by a criminal act while in the possession of the National Guard; or

"'(3) personal injury or death;

either caused by a member of the Army National Guard or the Air National Guard, as the case may be, while engaged in training or duty under section 316, 502, 503, 504, or 505 of this title or any other provision of law for which he is entitled to pay under section 301 of title 37, or for which he has waived that pay, and acting within the scope of his employment; caused by a person employed under section 709 of this title acting within the scope of his employment; or otherwise incident to noncombat activities of the Army National Guard or the Air National Guard, as the case may be, under one of those sections.

"'(b) A claim may be allowed under subsection (a) only if—

"'(1) it is presented in writing two years after it accrues, except that if the claim accrues in time of war or armed conflict or if such a war or armed conflict intervenes within two years after it accrues, and if good cause is shown, the claim may be presented not later than two years after the war or armed conflict is terminated;

"'(2) it is not covered by section 2734 of title 10 or section 2672 of title 28;

"'(3) it is not for personal injury or death of such a member or a person employed under section 709 of this title, whose injury or death is incident to his service;

"'(4) the damage to, or loss of, property, or the personal injury or death, was not caused wholly or partly by a negligent or wrongful act of the claimant, his agent, or his employee; and

"'(5) it is substantiated as prescribed in regulations of the Secretary concerned.

For the purposes of clause (1), the dates of the beginning and end of an armed conflict are the dates established by concurrent resolution of Congress or by a determination of the President.

"'(c) Payment may not be made under this section for reimbursement for medical, hospital, or burial services furnished at the expense of the United States or of any State or the District of Columbia or Puerto Rico.

"'(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"'(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction.

"'(f) In any case where the amount to be paid is not more than $1,000, the authority contained in subsection (a) may be delegated to any officer of the Army or the Air Force, as the case may be, who has been delegated authority under section 2733(g) of title 10 to settle similar claims.

"'(g) Notwithstanding any other provision of law, the settlement of a claim under this section is final and conclusive.

"'(h) In this section, "settle" means consider, ascertain, adjust, determine, and dispose of a claim, whether by full or partial allowance or disallowance.'; and

"(2) by adding the following new item at the end of the analysis:

"'715. Property loss; personal injury or death: activities under certain sections of this title.'"

Mr. LANE. Mr. Speaker, I offer an amendment to the committee amendment.

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

Mr. LANE. I yield.

Mr. FORD. Is this an amendment which was agreed to by the committee or is it some other proposal outside of the recommendations by the committee?

Mr. LANE. This is an amendment agreed to by the committee to the committee amendment. It is a matter of phraseology and not substance.

Mr. FORD. It does not go to the substance of the bill?

Mr. LANE. That is right.

The SPEAKER pro tempore. The Clerk will report the amendment offered by the gentleman from Massachusetts.

The Clerk read as follows:

Clause (1) of subsection (b) of new section 715 of title 32 added by the bill is amended to read, as follows:

"(1) it is presented in writing within 2 years after it accrues, except that if the claim accrues in time of war or armed conflict or (if such a war or armed conflict) intervenes within 2 years after it accrues, and if good cause is shown, the claim may be presented not later than 2 years after the war or armed conflict is terminated;"

The last sentence of subsection (b) is amended to read as follows:

"For the purposes of clause (1), the dates of the beginning and end of an armed conflict are the dates established by concurrent resolution of Congress or by a determination of the President."

The amendment to the committee amendment was agreed to. The committee amendment, as amended, was agreed to.

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

The title was amended so as to read: "A bill to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard."

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1764) to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard.

The Clerk read the title of the bill.

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

Mr. FORD. Reserving the right to object, Mr. Speaker, it was my understanding that there was some printing flaw or some other similar problem connected with the bill which went through the other body.

Mr. LANE. That is the amendment to the committee amendment which I just offered. In two places words were left out by the Senate. The amendment I intend to offer will strike out all after the enacting clause of the Senate bill and insert the provisions of the bill we have just passed, H.R. 5435.

Mr. FORD. While I have the floor, Mr. Speaker, may I say that I had some reservations concerning this legislation. I have consulted with responsible authorities in the Department of Defense. They have made certain representations to me. I have been supplied with a letter by Mr. George S. Leonard, First Assistant to the Assistant Attorney General, Civil Division, dated August 25, 1960, which resolves my reservations concerning this legislation. I ask unanimous consent that this letter from Mr. Leonard may be included in my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The letter referred to follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., August 25, 1960.

Re H.R. 5435.

Hon. GERALD R. FORD, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. FORD: I am informed by Colonel Blatt of the National Guard Bureau of your interest in this matter. He has advised me of your request for a restatement of the position of this Department with respect to the above numbered bill, as now amended to limit the legislation to administrative payment of claims arising from National Guard activities under the terms of chapter 7 of title 32, United States Code, the Military Claims Act.

In writing to Senator EASTLAND on May 23, 1960, we noted that the administrative disposition of claims for property damage and personal injuries under the Military Claims Act was "not a matter of direct concern to the Department of Justice." The same position was taken in my statement before Subcommittee No. 2 of the House Committee on the Judiciary on May 11, 1960, in which I added that "this Department would defer to other agencies on this point."

Both in the letter and statement referred to, this Department suggested the alternate possibility of indemnification of State liability for these activities. This proposal was intended solely as a constructive suggestion and was not intended as a limitation upon our stated policy that the administrative disposition of tort claims is within the primary jurisdiction of the agency from whose activities the liability arises.

Accordingly, in reaffirmation of the position previously taken, we defer to the recommendation of the Department of Defense and do not object to enactment of this legislation.

Sincerely,

GEO. S. LEONARD,
First Assistant.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, this legislation, looking to the assumption by the Federal Government of pecuniary responsibility for the acts of members of the National Guard and the civilian employees authorized by section 709 of title 32, United States Code while of tremendous importance, and a landmark in National Guard legislation is not entirely without precedent.

Since 1937, with the exception of the war years, the Congress in its annual appropriation acts for the military departments has provided for the payment from Federal funds of claims for damage to private property incident to the operation of National Guard camps of instruction. Initially limited to $500 per claim, the maximum amount authorized to be paid during recent years has been $1,000. These enactments have resulted from the conviction that the Federal Government had a moral obligation to such private persons as might be damaged by actions of National Guardsmen performing training duties authorized by Federal law, even though the National Guard while performing training duty under title 32, United States Code was not as a matter of law in the Federal service. All of this prior legislation provided for administrative settlement by the service Secretaries. None has provided for judicial review or relief.

The essential fact that members of the National Guard performing training duty authorized by the National Defense Act, now codified as title 32, United States Code, were nevertheless not in Federal service has been repeatedly recognized by the Federal courts in construing the Federal Tort Claims Act. The recent case of *Storer Broadcasting Co.* v. *U.S.* C.C.A. (1958), 251 F. 2d 268, certiorari denied 356 U.S. 951, is illustrative of the established doctrine. The only exception has been the unusual case of *O'Toole* v. *U.S.* (C.A. Del. (1953) 206 F. 2d 912) which involved the District of Columbia National Guard. In this case, because of the unique status of the District of Columbia National Guard, a contrary result was reached, and the United States was held liable.

The Federal courts, however, have repeatedly held the United States liable for tortious acts of these civilian employees of the National Guard whose hire is authorized under section 709 of title 32, United States Code. The United States Circuit Courts of Appeal in four circuits have so held. None of these cases have been decided in the United States Supreme Court.

In the light of previous legislation and the cited court decisions, the Department of Defense has recommended enactment of that portion of H.R. 5435 which would authorize the Secretaries of the Army and of the Air Force to pay claims arising out of federally authorized National Guard activities to the same extent and in the same manner as they now pay claims under section 2733 of title 10, United States Code—familiarly known as the Military Claims Act—for death, personal injury, or property damage caused by members or civilian employees of the Army and Air Force. The Federal Government would not, of course, undertake to pay any claims arising out of activities of the National Guard at other times, such as when they might be ordered to duty by the Governor or other State authorities, in their capacity of State troops and divorced from their federally authorized training.

This legislation recognizes the gradual change in emphasis on the mission and training of the National Guard. Over the years, what were once primarily State forces have become principal elements of the Ready Reserve of the Army and Air Force. The training of the guard is now directed almost entirely to readying it for instantaneous mobilization in augmentation of the active Federal establishment in the event of war or national emergency. The National Guard is armed and equipped, for Federal use, with such armament as jet aircraft, heavy tracked vehicles, and missiles. Inherent in the training with such weapons is the possibility of accidental personal injury to members of the civilian community, or to their property. The crash in Worcester, Mass., of a New Hampshire Air National Guard aircraft, resulted in damage by fire to several homes, and Public Law 85–760 was enacted as a result; the midair collision in Maryland with a commercial airline cost many lives and resulted in several pending lawsuits; the potential damage and litigation that might arise out of an explosion on an Army National Guard Nike site might be imagined.

In this connection, the present attitude of the States deserves consideration. State legislatures do not feel that their States should shoulder the financial burden of paying claims incident to National Guard activities which are primarily intended to prepare these forces for their Federal mission. The situation becomes even more complex when the damage is done not in the guardsman's home State but while training in another State.

The individual guardsman is also placed in an untenable legal position. If he refuses to drive his assigned vehicle he is subject to trial under a State court-martial; if he drives that vehicle he may find himself party defendant in a civil suit, and possibly in a foreign State. He will receive no Federal assistance, and only in rare instances will his home State be able to furnish him counsel or protect him against a personal money judgment.

Thus, from the standpoint of the Federal Government, the State, the individual National Guard member, and the public, the present state of the law is unsatisfactory.

Legislation authorizing payment of National Guard claims on a year round basis, rather than a limited class of claims, restricted in nature, amount, and point of time, as now authorized for payment in annual appropriation acts is appropriate and essential.

Administrative relief comparable to that provided by section 2733 of title 10, United States Code, would be provided under this bill. This legislation should be couched as an amendment of title 32, United States Code, which title relates to the National Guard not in Federal service rather than as an amendment to title 10, United States Code, which relates to the Armed Forces in Federal service. H.R. 5435 in the form recommended by the Judiciary Committee is calculated to restate the substance of 10 U.S.C. 2733.

If this legislation is enacted, the Departments of the Army and of the Air Force will amend their regulations which now implement section 2733 of title 10, United States Code, to implement as well this new section. New joint Army-Air

National Guard regulations supplementing the regulations of the Army and Air Force will provide for the transmission of claims to the agencies of those Armed Forces designated by the service Secretaries to settle them.

The fiscal impact of this legislation is so speculative as to preclude any reasonably accurate forecast. Past experience indicates an annual cost upward of $25,000. This $25,000 figure is however manifestly low, since it is based solely on the cost of claims incident to the operations of the National Guard during annual field training, exclusive of claims for damage to property of public agencies, personal injury, death, or in excess of $1,000, all of which have heretofore been beyond the statutory authority. These claims have, in the main, resulted from automobile accidents. The potential claims which might arise out of catastrophes such as midair collisions, with attendant loss of life, aircraft crashes in metropolitan areas, or missile explosions, make it impossible to estimate annual costs with any degree of precision.

This inherent uncertainty and unpredicability as to the nature and magnitude in loss of life and damage to property is perhaps the most cogent and persuasive argument for enactment of this legislation, which will furnish a reasonable degree of protection to members of the National Guard and the several States, and provide appropriate compensation to private citizens who may sustain injury or damage by reason of accidents arising out of the training of the National Guard with these modern weapons of war, issued by the Federal Government to equip these troops for Federal service. I endorse and strongly urge the passage of this bill in its amended form.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. LANE. Mr. Speaker, the bill, in the form recommended by the committee, contains the language suggested by the Department of the Army which is intended to provide a means for settlement of claims arising from activities of the National Guard while engaged in training which involves a distinct Federal relationship. The sections referred to in the language of the committee amendment, sections 502 to 505 of title 32, the National Guard title of the United States Code, concern inactive duty training, annual field training, field exercises, National Guard schools and small arms competitions, Army and Air Force schools. The claims which could be settled under the provisions of the amended bill would be those arising from activities provided for under those sections. It is further provided that settlement authority would extend to claims caused by a National Guard member engaged in training or duty for which he would be entitled to pay under section 301 of title 37, the pay and allowances title of the United States Code, which section concerns training duty of Reserve and National Guard personnel. Similarly, that authority would also extend to claims based on actions of caretakers and clerks employed under the authority of section 709 of title 32. The claims would have to be caused by persons acting within the scope of their employment "or otherwise incident to noncombat activities of the Army, National Guard, or the Air National Guard, as the case may be, under one of those sections."

The training activities covered by sections 502 and 505, referred to above, are "primarily intended" to make the members of the National Guard ready for active Federal service in the event of an emergency. It is further observed that equipment such as jet aircraft, tanks, and heavy artillery would seldom, if ever, be useful in accomplishing a State mission. These modern military weapons are of such a character that provision should be made for the payment of claims incident to their use for National Guard training.

This is borne out by the Army report to the Committee on the Judiciary which referred to the fact that the potential financial magnitude of the damage which may be caused by National Guard aircraft crashes, ammunition explosions, and other activities is a matter of great concern to the States. The crash of a New Hampshire Air National Guard plane in Worcester, Mass., resulted in Federal legislation—the act of August 26, 1958, Public Law 85–760, 72 Stat. 853—authorizing the payment of the unsubrogated portion of property damage claims. The subrogee has since instituted suit against the adjutant general of New Hampshire.

The enactment of the claims settlement authority provided in the amended bill would provide a means of extending administrative relief where damage is suffered to National Guard activities of the sort covered by the bill. The need is demonstrated by the fact that incidents involving such activities have occurred and no authority existed for the United States to pay compensation. For example, National Guard aircraft have caused damage by dropping tow target cables in Arizona and Illinois. Claims arising out of the activities of the National Guard in these and almost every other State in the Union, when not incident to the operation of a camp of instruction—as for instance, during a routine training flight, or weekend drill—have necessarily been rejected by the Federal Government.

Present day realities require that the U.S. Government be empowered to settle claims administratively when they arise from activities included within the scope of the sections referred to in the committee amendment. This language would be added to title 32, and the claims arising out of the activities, in the scope of the employment, of members of the National Guard employed under authority of section 709 of that title; or incident to noncombat activities under that title would be administered and settled by the same personnel, in the same manner, and to the same extent as claims cognizable under section 2733, title 10, United States Code, are now settled by the Secretaries of the Departments of the Army and of the Air Force under regulations implementing that section.

Claims arising out of the ordinary traffic accident and other tort-type claims will, however, be made payable only when the proximate cause of the accident was the negligent act or omission of the National Guard man or civilian employee acting in the scope of his employment. Claims for damage to or destruction of property caused by acts of depredation, willful misconduct, or such reckless disregard of property rights as to carry an implication of guilty intent will not be payable. On the other hand, claims incident to noncombat activities, though not caused by any ascertainable negligence, such as those proximately caused by maneuvers, special field exercises, operating aircraft and missiles, using explosives, firing guns, or other weapons, including vibration or concussion, using equipment or devices having latent mechanical defects, moving combat or other vehicles designed especially for military use, and using and occupying real property, will be made payable.

In conclusion, Mr. Speaker, this legislation recognizes the gradual change in emphasis on the mission and training of the National Guard. In fact where the National Guard was previously regarded as being composed primarily of State forces, it is now the source of important elements of the Ready Reserve of the Army and Air Force. The training of the National Guard is now directed almost entirely to making it ready for rapid mobilization to augment the active Federal Military Establishment in the event of war or national emergency. It, therefore, must be recognized that the National Guard is trained and equipped with modern equipment for Federal purposes. The possibility of accidental injury to persons and property incident to National Guard training, particularly that involving such modern weapons as jet aircraft, heavy tracked vehicles, and missiles, provide a realistic basis for this legislation.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate bill?

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 7 of title 32, United States Code, is amended—

(1) by adding the following new section at the end thereof:

"§ 715. Property loss; personal injury or death: activities under certain sections of this title

"(a) Under such regulations as the Secretary of the Army or Secretary of the Air Force may prescribe, he or, subject to appeal to him, the Judge Advocate General of the armed force under his jurisdiction, if designated by him, may settle, and pay in an amount not more than $5,000 a claim against the United States for—

"(1) damage to, or loss of, real property, including damage or loss incident to use and occupancy;

"(2) damage to, or loss of, personal property, including property bailed to the United States or the National Guard and including registered or insured mail damaged, lost, or

destroyed by a criminal act while in the possession of the National Guard; or

"(3) personal injury or death;

either caused by a member of the Army National Guard or the Air National Guard, as the case may be, while engaged in training or duty under section 316, 502, 503, 504, or 505 of this title or any other provision of law for which he is entitled to pay under section 301 of title 37, or for which he has waived that pay, and acting within the scope of his employment; caused by a person employed under section 709 of this title acting within the scope of his employment; or otherwise incident to noncombat activities of the Army National Guard or the Air National Guard, as the case may be, under one of those sections.

"(b) A claim may be allowed under subsection (a) only if—

"(1) it is presented in writing two years after it accrues, except that if the claim accrues in time of war or armed conflict intervenes within two years after it accrues, and if good cause is shown, the claim may be presented not later than two years after the war or armed conflict is terminated;

"(2) it is not covered by section 2734 of title 10 or section 2672 of title 28;

"(3) it is not for personal injury or death of such a member or a person employed under section 709 of this title, whose injury or death is incident to his service;

"(4) the damage to, or loss of, property, or the personal injury or death, was not caused wholly or partly by a negligent or wrongful act of the claimant, his agent, or his employee; and

"(5) it is substantiated as prescribed in regulations of the Secretary concerned.

For the purpose of clause (1), the dates of the beginning and end of an armed conflict are the dates established by concurrent resolution of Congress or by a determination of the President.

"(c) Payment may not be made under this section for reimbursement for medical, hospital, or burial services furnished at the expense of the United States or of any State or the District of Columbia or Puerto Rico.

"(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction.

"(f) In any case where the amount to be paid is not more than $1,000, the authority contained in subsection (a) may be delegated to any officer of the Army or the Air Force, as the case be, who has been delegated authority under section 2733(g) of title 10 to settle similar claims.

"(g) Notwithstanding any other provisions of law, the settlement of a claim under this section is final and conclusive.

"(h) In this section, 'settle' means consider, ascertain, adjust, determine, and dispose of a claim, whether by full or partial allowance or disallowance."; and

(2) by adding the following new item at the end of the analysis:

"715. Property loss; personal injury or death: activities under certain sections of this title."

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

The Clerk read as follows:

Amendment offered by Mr. LANE: Strike out all after the enacting clause of the bill S. 1764 and insert the provisions of H.R. 5435, as passed, as follows: "That chapter 7 of title 32, United States Code, is amended—

"(1) by adding the following new section at the end thereof:

"'§ 715. Property loss; personal injury or death: activities under certain sections of this title

"'(a) Under such regulations as the Secretary of the Army or Secretary of the Air Force may prescribe, he or, subject to appeal to him, the Judge Advocate General of the armed force under his jurisdiction, if designated by him, may settle, and pay in an amount not more than $5,000 a claim against the United States for—

"'(1) damage to, or loss of, real property, including damage or loss incident to use and occupancy;

"'(2) damage to, or loss of, personal property, including property bailed to the United States or the National Guard and including registered or insured mail damaged, lost, or destroyed by a criminal act while in the possession of the National Guard; or

"'(3) personal injury or death;

either caused by a member of the Army National Guard or the Air National Guard, as the case may be, while engaged in training or duty under section 316, 502, 503, 504, or 505 of this title or any other provision of law for which he is entitled to pay under section 301 of title 37, or for which he has waived that pay, and acting within the scope of his employment; caused by a person employed under section 709 of this title acting within the scope of his employment; or otherwise incident to noncombat activities of the Army National Guard or the Air National Guard, as the case may be, under one of those sections.

"'(b) A claim may be allowed under subsection (a) only if—

"'(1) it is presented in writing within two years after it accrues, except that if the claim accrues in time of war or armed conflict or if such a war or armed conflict intervenes within two years after it accrues, and if good cause is shown, the claim may be presented not later than two years after the war or armed conflict is terminated;

"'(2) it is not covered by section 2734 of title 10 or section 2672 of title 28;

"'(3) it is not for personal injury or death of such a member or a person employed under section 709 of this title, whose injury or death is incident to his service;

"'(4) the damage to, or loss of, property, or the personal injury or death, was not caused wholly or partly by a negligent or wrongful act of the claimant, his agent, or his employee; and

"'(5) it is substantiated as prescribed in regulations of the Secretary concerned.

For the purposes of clause (1), the dates of the beginning and end of an armed conflict are the dates established by concurrent resolution of Congress or by a determination of the President.

"'(c) Payment may not be made under this section for reimbursement for medical, hospital, or burial services furnished at the expense of the United States or of any State or the District of Columbia or Puerto Rico.

"'(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"'(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction.

"'(f) In any case where the amount to be paid is not more than $1,000, the authority contained in subsection (a) may be delegated to any officer of the Army or the Air Force, as the case may be, who has been delegated authority under section 2733(g) of title 10 to settle similar claims.

"'(g) Notwithstanding any other provision of law, the settlement of a claim under this section is final and conclusive.

"'(h) In this section, 'settle' means consider, ascertain, adjust, determine, and dispose of a claim, whether by full or partial allowance or disallowance.'; and

"(2) by adding the following new item at the end of the analysis:

"'715. Property loss; personal injury or death: activities under certain sections of this title.'"

Amend the title so as to read: "A bill to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard."

The amendment was agreed to.

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

The proceedings whereby a similar House bill (H.R. 5435) was passed were vacated and the House bill was laid on the table.

SURVIVORS' ANNUITIES UNDER CIVIL SERVICE RETIREMENT

The Clerk called the next bill (H.R. 6743) to provide for certain survivors' annuities in additional cases under the Civil Service Retirement Act of May 29, 1930.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

FORT BOWIE NATIONAL HISTORIC SITE, ARIZ.

The Clerk called the next bill (H.R. 11876) to authorize the establishment of the Fort Bowie National Historic Site in the State of Arizona, and for other purposes.

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

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

There was no objection.

JUDICIAL REVIEW OF VETERANS' CLAIMS

The Clerk called the next bill (H.R. 12653) to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

NATIONAL BOTANICAL GARDEN IN HAWAII

The Clerk called the bill (S. 2919) providing for a study and investigation of the desirability and feasibility of establishing and maintaining a national tropical botanic garden.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

LAND TRANSFER TO CITY OF SUSANVILLE, CALIF.

The Clerk called the bill (H.R. 11917) to authorize and direct the Secretary of Agriculture to convey certain lands in Lassen County, Calif., to the city of Susanville, Calif.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, without consideration, to the city of Susanville, California, all the right, title, and interest of the United States in and to the following lands which were previously donated to the United States by C. D. Mathews and Ethel M. Mathews, his wife, by deed dated December 6, 1939, and recorded in book 38 of deeds, at page 218, in the records of Lassen County, California:

All those certain lots, pieces, ad parcels of land situate, lying and being in the county of Lassen, State of California, and particularly described as follows, to wit:

Parcel 1. Commencing at the corner common to sections 29, 30, 31, and 32, in township 30 north, range 12 east, of the Mount Diablo Base and Meridian; thence north 89 degrees 22 minutes east along the section line 497.37 feet; thence south 16 degrees 50 minutes west 1,908.58 feet to the point of intersection of the center line of Roop Street with the center line of Main Street of the city of Susanville; thence south 73 degrees 10 minutes east along said center line of Main Street 1,525.6 feet to the center line of Weatherlow Street of said city; thence continuing along said center line of Main Street of said city south 73 degrees 08 minutes 15 seconds east 1,264.25 feet; thence continuing along said center line of Main Street south 73 degrees 37 minutes 15 seconds east 445.12 feet; thence north 19 degrees 52 minutes 45 seconds east 40.07 feet to the notherly line of the California State Highway and the true point of beginning; running thence north 19 degrees 52 minutes 45 seconds east 229.20 feet; thence south 73 degrees 07 minutes 15 seconds east 115.0 feet; thence south 15 degrees 22 minutes 45 seconds west 227.80 feet to the northerly right-of-way line of the California State Highway, and thence north 73 degrees 37 minutes 15 seconds west along the said northerly right-of-way line to the California State Highway, a distance of 136 feet to the true point of beginning.

Parcel 2. Lots numbered 1, 2, and 3 of block numbered 18 of the east addition to the city of Susanville, as shown on the map entitled "Map of East Addition to Susanville, Lassen County, California" filed in the office of the county recorder of Lassen County, California, January 6, 1911.

With the following committee amendment:

Page 3, line 1, strike out "to" and insert "of".

The committee amendment was agreed to.

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

PERMANENT REGULATIONS OF SAVINGS AND LOAN HOLDING COMPANIES

The Clerk called the bill (S. 3619) to make permanent law the provisions of section 408 of the National Housing Act regulating savings and loan holding companies.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Reserving the right to object, Mr. Speaker, the information at my disposal indicates that the report of the Federal Home Loan Bank Board in reference to this legislation, although it supports the legislation, is not included in the committee report. I also understand that the Bureau of the Budget, although it has no objection to the legislation, does not have its views set forth in the committee report.

I raise this point at this moment because those of us who are objectors on the Consent Calendar cannot be expected to make an evaluation and a sound analysis of the pieces of legislation that come before us unless the committee reports are full, complete, and comprehensive. I have made an effort in this case to look into the matter. I think the situation deserves and warrants affirmative action. But there is no excuse for this situation to prevail in the future. I give warning here and now that the rule will be observed as far as I am concerned unless we have this information in the committee report.

Mr. SPENCE. Mr. Speaker, if the gentleman will yield, I want to say for the information of the House that if the expiration date is stricken from the Holding Company Act, then the act will be exactly as it was reported out unanimously by the Banking and Currency Committee and passed unanimously by the House. This is a bill which was recommended by the savings and loan associations. The Federal Home Loan Bank Board favors the bill, although they did propose some amendments to it. I do not think there can be any valid objection to the bill.

Mr. FORD. Mr. Speaker, I am not raising any objection as to the merits of the legislation. In fact, the legislation is extremely meritorious and I am wholeheartedly in favor of it. The only question I raise is that the committee report does not contain information which would be helpful and beneficial to the members of the Consent Calendar objectors committee. Therefore, Mr. Speaker, I urge that the staff of this committee in the future as well as the staffs of other committees make a conscientious effort to provide reports from the executive branch so that we can do a better job for the benefit of all the Members of the House.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BECKER. Mr. Speaker, reserving the right to object, is there anyone who can tell us anything about this bill? We do not seem to have much information on this. We do not seem to have the slightest idea at this time what this is about.

Mr. SPENCE. Mr. Speaker, this is a bill to regulate and control the savings and loan holding companies. Many of the holding companies were organized for the purpose of persuading mutual associations to convert to stock companies so that the holding companies could gain control of them by purchasing their stock, for which they often paid more than a fair price. Then, by reorganization, an increase in stock was effected again, which was sold to the public. I am told that many of the organizers were greatly enriched by this process. It was to remedy this condition that the Savings and Loan Holding Company Act was enacted. This does not imply that there are not many good and lawful holding companies that are rendering good service. Also, one of the principal purposes of the Holding Company Act is to preserve the local character of the savings and loan associations, which have endeared themselves to the people by reason of the interest local management has shown in the welfare of the community. I think the holding companies are entitled to maintain what they have and nothing will be taken away from them, but we just cannot permit resumption of certain promoters' practices which are neither good for the public nor for the industry.

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

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The clerk read the bill, as follows:

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 408 of the National Housing Act (12 U.S.C. 1730a.(g)) is hereby repealed.

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

BILL TO QUIET TITLE

The Clerk called the bill (H.R. 12491) to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, without consideration, to the county of Fremont, Wyoming, all the right, title, and interest of the United States in and to lot 5, block 14, of the original townsite of Lander, Fremont County, Wyoming.

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

USE OF SURPLUS FOODS IN HOME ECONOMICS

The Clerk called the bill (S. 3146) to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That schools receiving surplus foods pursuant to clause (3) of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c) are authorized to use such foods in training students in home economics.

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

Mr. QUIGLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. QUIGLEY. Mr. Speaker, writing to your Congressman can bring results. Proof of this is found in the action just taken by the House of Representatives in passing S. 3146. This measure provides for the use of surplus foods in home economics classes and was in effect written by a constituent of mine, Mrs. Emerson Towers of Spring Grove, Pa.

Mrs. Towers did not set out to write legislation but merely, as people will, wrote her Congressman to ask if he knew why it was that she could not use surplus foods in the home economics classes she teaches in the Spring Grove Junior High School.

Upon investigation, I discovered that the law did not provide for the use of surplus foods in this manner and promptly introduced the bill we have just passed. At the same time, Senator JOSEPH S. CLARK introduced a similar bill in the other body. The Senate approved the measure just before the July recess.

I trust the President will act favorably and promptly on this bill so that it may become law in time to become effective with the new school year. Under its provisions, any school participating in the school lunch program would be eligible to receive additional food from the Commodity Credit Corporation for use in its home economics classes.

This bill is not likely to make a big dent in this country's vast farm surpluses, but it will help consume some of our overabundance of food immediately, and, who knows, if our future homemakers become adept in the preparation of these foods in a variety of ways, it may help us eat our way out of the surplus.

Since no additional personnel or money is required to operate this addition to the school lunch program it will not add to the Federal taxpayers' burden, and it should be a real help to Mrs. Towers and home economics teachers like her throughout the country who must operate on a very tight budget. Mrs. Towers, for example, operated last year on a budget of $45 a month for 235 students. To do this requires some real penny watching. So you can see what surplus rice, flour, dried eggs, butter, and other foods will mean to her.

For the information of my colleagues I would like to say that Mrs. Towers is a 49-year-old housewife who has only recently returned to teaching. She is a graduate of Hood College in Frederick, Md.; she has been absent from the teaching profession for 22 years. Two years ago the shortage of teachers prompted her to return to her profession, and she has been serving since as an instructor in home economics in Spring Grove Junior High School.

Finally, Mr. Speaker, I would like to include as part of my remarks, the letter which gave birth to the law we have just enacted. On February 17, 1960, Mrs. Towers wrote to me, as follows:

As a housewife and a teacher of home economics, I have decided to bring to your attention a situation I think is very unfortunate in this land of plenty—the United States of America. This concerns a Federal law that governs the distribution of excess foods to schools for use in cafeterias. I am sorry that I cannot give you the number of the law.

We who teach home economics in public schools wonder why we cannot use some of these surplus foods in the classrooms in our foods work. The foods prepared in class are eaten in class by the same children who eat in the cafeterias. They learn how to prepare foods and the food is not wasted. Surely this is a contribution to the future American housewife:

1. Proper preparation of food;
2. Economical foods prepared so that they are tasty;
3. Proper serving of these foods so that they are appetizing;
4. Use of surplus foods on which the Government is paying storage;
5. Teaching how to use these foods in a balanced diet.

Most home economics teachers are on limited budgets. These surplus foods would really fill a great need in the U.S. educational system.

Is there a misinterpretation of the law? I certainly would appreciate some action that would change this sorry situation, and I am sure that I am not alone in this line of thinking. Will you help all of us who teach home economics?

CLARIFYING THE RIGHT OF STATES TO SELECT CERTAIN PUBLIC LANDS SUBJECT TO ANY OUTSTANDING MINERAL LEASE OR PERMIT

The Clerk called the bill (H.R. 10102) to clarify the right of States to select certain public lands subject to any outstanding mineral lease or permit.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2276(a)(3) of the Revised Statutes of the United States (43 U.S.C. 852(a)(3)) is amended to read as follows:

"(3) Lands subject to a mineral lease or permit may be selected if none of the lands subject to that lease or permit are in a producing or producible status, but if a State shall select part but not all of the unappropriated, surveyed public lands subject to any mineral lease or permit, there shall be reserved from such part to the United States, for so long as that lease or permit shall remain in effect, the mineral for which that lease or permit issued, together with a right to enter upon the same to prospect for, recover, and remove the said mineral without unreasonably interfering with other rights therein; where lands subject to a mineral lease or permit are selected and acquired without reservation of the leased mineral as provided for herein, the State shall succeed to the position of the United States thereunder."

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That subsection (a) of section 2276 of the Revised Statutes (43 U.S.C. 852(a)) is amended by the deletion of the existing paragraph (3) and the substitution therefor of the following paragraphs:

"'(3) Land subject to a mineral lease or permit may be selected if none of the land subject to that lease or permit is in a producing or producible status, subject, however, to the restrictions and conditions of the preceding and following paragraphs of this subsection.

"'(4) If a selection is consummated as to a portion but not all of the lands subject to any mineral lease or permit, then, as to such portion and for so long only as such lease or permit or any lease issued pursuant to such permit shall remain in effect, there shall be automatically reserved to the United States the mineral or minerals for which the lease or permit was issued, together with such further rights as may be necessary for the full and complete enjoyment of all rights, privileges and benefits under or with respect to the lease or permit: *Provided, however,* That after approval of the selection the Secretary of the Interior shall determine what portion of any rents and royalties accruing thereafter which may be paid under the lease or permit is properly applicable to that portion of the land subject to the lease or permit selected by the State, the portion applicable being determined by applying to the sum of the rents and royalties the same ratio as that existing between the acreage selected by the State and the total acreage subject to the lease or permit; of the portion applicable to the selected land 90 per centum shall be paid to the State by the United States annually and 10 per centum shall be deposited in the Treasury of the United States as miscellaneous receipts.

"'(5) If a selection is consummated as to all of the lands subject to any *mineral lease* or permit or if, where the selecting State has previously acquired title to a portion of the lands subject to a mineral lease or permit, a selection is consummated as to all of the remaining lands subject to that lease or permit, then and upon condition that the United States shall retain all rents and royalties theretofore paid and that the lessee or permittee shall have and may enjoy under and with respect to that lease or permit all the rights, privileges, and benefits which he would have had or might have enjoyed had the selection not been made and approved, the State shall succeed to all the rights of the United States under the lease or permit as to the mineral or minerals covered thereby, subject, however, to all obligations of the United States under and with respect to that lease or permit.'

"SEC. 2. Paragraph (1) of subsection (d) of section 2276 of the Revised Statutes (43 U.S.C., sec. 852(d)(1)) is amended to read as follows:

"'(d)(1) The term "unappropriated public lands" as used in this section shall include, without otherwise affecting the meaning thereof, lands withdrawn for coal, phosphate, nitrate, potash, oil, gas, asphaltic minerals, oil shale, sodium, and sulfur, but otherwise subject to appropriation, location, selection, entry, or purchase under the nonmineral laws of the United States; lands withdrawn by Executive Order Numbered 5327, of April 15, 1930, if otherwise available for selection; and the retained or reserved interest of the United States in lands which have been disposed of with a reservation to the United States of all minerals or any specified mineral or minerals.'"

The committee amendment was agreed to.

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

The SPEAKER pro tempore. That concludes the bills on the calendar eligible for consideration.

WORLD SPORT PARACHUTING CHAMPIONSHIPS AT ORANGE, MASS.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution, House Joint Resolution 723, extending an invitation to the Federation Aeronautique Internationale to hold the 1962 world sport parachuting championships at Orange, Mass., which is No. 562 on the Consent Calendar but which was not reached on the calendar today as it has not been on the calendar 3 days. The chairman of the Committee on Foreign Affairs has sent word to me that it has been cleared by both sides of the aisle.

The Clerk read the title of the joint resolution.

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

Mr. PELLY. Mr. Speaker, reserving the right to object, some of us were opposed to the congressional recess for the political party conventions at a date as early as it took place. Also we wanted to come back earlier and finish the business of the House. Our objection is that under those circumstances much legislation would have been eligible at this time. Actually, I think this is a good bill and I shall not object to it, but with bills that are not eligible for consideration on the Consent Calendar in the future I am not going to let go by without objection, because as I said we did not get back to work in this bobtailed session as soon as we should have, and we should not have recessed as early as we did.

I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Mr. Speaker, reserving the right to object, I note in the committee report, on this resolution, page 3, the last line, "No expense to the United States Government is involved." May we take that as gospel in connection with this resolution?

Mr. McCORMACK. I cannot conceive of any committee report carrying that unless it were so.

Mr. GROSS. With the statement of the distinguished majority leader that this will not cost the U.S. Government any money, I withdraw my reservation of objection.

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

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, whereas the National Aeronautic Association has invited the Federation Aeronautique Internationale to hold the biennial world sport parachuting championship in the United States at Orange, Massachusetts, in 1962, the Government of the United States joins in the invitation of the National Aeronautic Association to the Federation Aeronautique Internationale to hold the 1962 world sport parachuting championship in the United States at Orange, Massachusetts.

SEC. 2. The Secretary of State is directed to transmit a copy of this joint resolution to the Federation Aeronautique Internationale.

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

CONFERENCE REPORT ON SUPPLEMENTAL APPROPRIATION BILL—1961

Mr. McCORMACK. Mr. Speaker, on behalf of the gentleman from Texas [Mr. THOMAS], I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill H.R. 13161, the second supplemental appropriation bill for 1961.

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

There was no objection.

PRICE SUPPORT AND PRODUCTION ADJUSTMENT ACTIVITIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have permission to file reports on price support and production adjustment activities and on grain activities until midnight Wednesday night, August 31, 1960.

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

There was no objection.

CLARIFYING THE RIGHTS OF STATES TO SELECT CERTAIN PUBLIC LANDS SUBJECT TO ANY OUTSTANDING LEASE OR PERMIT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill (H.R. 10102) to clarify the right of States to select certain public lands subject to any outstanding mineral lease or permit. Consent Calendar No. 599.

The SPEAKER pro tempore. H.R. 10102 passed the House just a few moments ago on the Consent Calendar.

Mr. ASPINALL. I ask unanimous consent, Mr. Speaker, that we take up consideration of S. 2959 and that it be substituted in lieu of the bill which was passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. FORD. Mr. Speaker, reserving the right to object, will the gentleman explain what he intends to do?

Mr. ASPINALL. Mr. Speaker, S. 2959, which passed the other body on June 28 is a combination of the provisions of two House bills. One of these bills is H.R. 11957, which has passed the House, and the other is H.R. 10102, pending consent calendar business.

Sections 1 and 2 of S. 2959 are identical to H.R. 10102 as reported by the committee. Sections 3 and 4 of S. 2959 are identical to H.R. 11957 as it passed the House.

Passage of S. 2959 would render unnecessary further action by the other body on H.R. 11957.

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

The SPEAKER. Is there objection to the present consideration of the Senate bill?

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 2276 of the Revised Statutes (43 U.S.C. 852(a)) is amended by the deletion of the existing paragraph (3) and the substitution therefor of the following paragraphs:

"(3) Land subject to a mineral lease or permit may be selected if none of the land subject to that lease or permit is in a producing or producible status, subject, however, to the restrictions and conditions of the preceding and following paragraphs of this subsection.

"(4) If a selection is consummated as to a portion but not all of the lands subject to any mineral lease or permit, then, as to such portion and for so long only as such lease or permit or any lease issued pursuant to such permit shall remain in effect, there shall be automatically reserved to the United States the mineral or minerals for which the lease or permit was issued, together with such further rights as may be necessary for the full and complete enjoyment of all rights, privileges and benefits under or with respect to the lease or permit: *Provided, however,* That after approval of the selection the Secretary of the Interior shall determine what portion of any rents and royalties accruing thereafter which may be paid under the lease or permit is properly applicable to that portion of the land subject to the lease or permit selected by the State, the portion applicable being determined by applying to the sum of the rents and royalties the same ratio as that existing between the acreage selected by the State and the total acreage subject to the lease or permit; of the portion applicable to the selected land 90 per centum shall be paid to the State by the United States annually and 10 per centum shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(5) If a selection is consummated as to all of the lands subject to any mineral lease or permit or if, where the selecting State has previously acquired title to a portion of the lands subject to a mineral lease or permit, a selection is consummated as to all of the

remaining lands subject to that lease or permit, then and upon condition that the United States shall retain all rents and royalties theretofore paid and that the lessee or permittee shall have and may enjoy under and with respect to that lease or permit all the rights, privileges, and benefits which he would have had or might have enjoyed had the selection not been made and approved, the State shall succeed to all the rights of the United States under the lease or permit as to the mineral or minerals covered thereby, subject, however, to all obligations of the United States under and with respect to that lease or permit."

SEC. 2. Paragraph (1) of subsection (d) of section 2276 of the Revised Statutes (43 U.S.C. 852(d)(1)) is amended to read as follows:

"(d)(1) The term 'unappropriated public lands' as used in this section shall include, without otherwise affecting the meaning thereof, lands withdrawn for coal, phosphate, nitrate, potash, oil, gas, asphaltic minerals, oil shale sodium, and sulphur, but otherwise subject to appropriation, location, selection, entry, or purchase under the nonmineral laws of the United States; lands withdrawn by Executive Order Numbered 5327, of April 15, 1930, if otherwise available for selection; and the retained or reserved interest of the United Staets in lands which have been disposed of with a reservation to the United States of all minerals or any specified mineral or minerals."

SEC. 3. The second and third sentences of subsection (h) of section 6 of the Act of July 7, 1958 (72 Stat. 342), are hereby replaced by the following sentences: "Such selections shall be made only from lands that are otherwise open to selection under this Act. When all of the lands subject to a lease, permit, license, or contract are selected, the patent for the lands so selected shall vest in the State of Alaska all the right, title, and interest of the United States in and to that lease, permit, license, or contract that remains outstanding on the effective date of the patent, including the right to all the rentals, royalties, and other payments accruing after that date under that lease, permit, license, or contract, and including any authority that may have been retained by the United States to modify the terms and conditions of that lease, permit, license, or contract: *Provided*, That nothing herein contained shall affect the continued validity of any such lease, permit, license, or contract or any rights arising thereunder. Where only a portion of the lands subject to a lease, permit, license, or contract are selected, there shall be reserved to the United States the mineral or minerals subject to that lease, permit, license, or contract, together with such further rights as may be necessary to the full and complete enjoyment of all rights, privileges, and benefits under or with respect to that lease, permit, license, or contract; upon the termination of the lease, permit, license, or contract, title to the minerals so reserved to the United States shall pass to the State of Alaska."

SEC. 4. Subsection (a) of section 6 of the Act of July 7, 1958 (72 Stat. 340), is hereby amended by the addition of the following: "*Provided further*, That for the purposes of this section the term 'public lands of the United States in Alaska which are vacant, unappropriated, and unreserved' shall include, without limiting the use thereof, the retained or reserved interest of the United States in lands which have been disposed of with a reservation to the United States of all minerals or any specified mineral or minerals."

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

A motion to reconsider was laid on the table.

The proceedings whereby the bill H.R. 10102 was passed were vacated, and that bill was laid on the table.

CONVEYANCE OF PART OF LOCK AND DAM NO. 10, KENTUCKY RIVER, TO PIONEER NATIONAL MONUMENT ASSOCIATION

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11561) to authorize and direct the Secretary of the Army to convey part of lock and dam numbered 10, Kentucky River, Madison County, Ky., to the Pioneer National Monument Association for use as part of a historic site, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

On page 2, line 5, strike out "without monetary payment therefor but" and insert "in return for the payment of an amount equal to 50 per centum of the fair market value of the land conveyed, as determined by the Secretary of the Army after appraisal, and".

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RHODE ISLAND TURNPIKE AND BRIDGE AUTHORITY

Mr. FALLON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3681) authorizing the Rhode Island Turnpike and Bridge Authority to combine for financing purposes the bridge across the West Passage of Narragansett Bay with the Newport Bridge and any other project acquired or constructed by said authority.

The Clerk read the title of the bill.

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have a brief explanation of the bill?

Mr. FALLON. Mr. Speaker, S. 3681 amends the act of April 4, 1938 (52 Stat. 194), which authorized the State of Rhode Island, acting through the Jamestown Bridge Commission or its successors, to construct a bridge across the West Passage of Narragansett Bay between the towns of Jamestown and North Kingston. The bridge was completed in 1940. Section 3 of the act provides for adjustment of tolls to provide a fund sufficient to amortize the cost of the bridge within a period of not to exceed 40 years and to provide a fund to pay for maintaining and operating the bridge. After establishment of such funds, the bridge would become free of tolls.

This bill would amend the 1938 act so as to provide that, upon title to the bridge becoming vested in the Rhode Island Turnpike and Bridge Authority, the authority would be authorized to combine into one project for financing purposes the existing bridge and any other bridges of the authority and to charge tolls for all such bridges, with adjustment of tolls to provide a fund to pay maintenance and operation costs and a fund to amortize the aggregate construction or acquisition cost of all the structures within a period not exceeding 40 years from the date of completion of the last bridge included in the project. At the end of the 40-year period from the date of completion of the last bridge the bridges in question would become free.

The principle involved is purely an intrastate matter wholly within the State of Rhode Island and is not in conflict with the objectives of the Federal-aid highway program. It is consistent with legislation previously adopted at various locations throughout the country. Federal legislation is needed to permit early planning and remove any impediment to the future operation of the State agency. The need for enactment of this legislation at this time is due to the fact that a referendum concerning a State guarantee authorization will be voted upon by the people of Rhode Island in the November election. If this referendum is favorably acted upon, the turnpike and bridge authority will be in a position to take prompt and immediate action, and failure to obtain this permissive legislation will delay the authority's taking any action.

The Rhode Island Legislature has passed legislation which in effect is a mandate to the turnpike and bridge authority to utilize the tolls on the existing Jamestown Bridge covered by S. 3681 to help finance construction of a new and larger series of bridges.

All interested agencies, including the Department of Commerce and the Department of the Army, have reported favorably on this legislation.

Mr. GROSS. There will be no cost to the Federal Government?

Mr. FALLON. No.

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

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act authorizing the State of Rhode Island, acting by and through the Jamestown Bridge Commission as an agency of the State, to construct, maintain, and operate a toll bridge across the West Passage of Narragansett Bay between the towns of Jamestown and North Kingston", approved April 4, 1938 (52 Stat. 194), is hereby amended by striking out section 4, and inserting in lieu thereof the following new section:

"SEC. 4. That upon title to the bridge which was constructed under the authority of this Act becoming vested in the Rhode Island Turnpike and Bridge Authority, created by chapter 3390, Public Laws of Rhode Island, 1954 (chapter 12 of title 24, General Laws of Rhode Island, 1956), said authority shall be authorized to combine said bridge for financing purposes with any other bridge, bridges, or structures financed by said authority under the provisions of said chapter 12, as heretofore amended, and to fix and charge tolls in accordance with State law for the use of said bridge and such other bridges

and approaches so combined into one project, and to pledge the use of such tolls in accordance with the provisions of said chapter 12, as amended."

SEC. 2. That the word "bridge" in the first line of section 5 be stricken and the word "bridges" inserted in lieu thereof.

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

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tomorrow to file a report dealing with the sale and transmission of power.

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

There was no objection.

Mr. HARDY. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a report regarding foreign operations.

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

There was no objection.

PRIVATE CALENDAR

The SPEAKER pro tempore. Under the previous order of the House, the Private Calendar will be called at this time. The Clerk will call the first bill on the calendar.

COL. JOHN A. RYAN, JR.

The Clerk called the bill (S. 2353) for the relief of Col. John A. Ryan, Jr.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John A. Ryan, Junior, colonel, United States Air Force, the sum of $100,000. The payment of such sum shall be in full satisfaction of all claims of the said Colonel John A. Ryan, Junior, against the United States, or any foreign country, resulting from the development by him outside of official working hours of a new bombing system known as the low altitude bombing system and apparatus, the said Colonel John A. Ryan, Junior, having been unable to protect or retain the domestic or foreign commercial rights to such system because of the security laws of the United States: *Provided,* That such payment shall be upon condition that Colonel John A. Ryan, Junior, assign to the United States the entire right, title, and interest to such invention: *And provided further,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim.

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

BORINQUEN HOME CORP.

The Clerk called the bill (S. 2770) for the relief of Borinquen Home Corp.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Borinquen Home Corporation of San Juan, Puerto Rico, the sum of $19,204.14. The payment of such sum shall be in full satisfaction of all claims of such Corporation against the United States for compensation or work performed by such Corporation pursuant to an agreement entered into between the Corporation and the Tenth Naval District, Department of the Navy, for the construction of two storm sewers for the use of the San Patricio Naval Project: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

GRANT OF EASEMENT TO CINCINNATI SOUTHERN RAILWAY

The Clerk called the bill (S. 3665) to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors and assigns.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture is authorized, upon such terms as he may deem advisable, to grant and convey by proper instrument a perpetual easement to the trustees of the Cincinnati Southern Railway, their successors and assigns, in, upon, across, and over national forest lands and other lands under the jurisdiction of the Department of Agriculture for the construction, maintenance, and operation of the line of railway incident to the relocation of its main line between Tateville, Kentucky, and Flat Rock, Kentucky, and for any related purpose deemed appropriate by the Secretary: *Provided,* That such easement (a) shall be granted only upon a finding by the Secretary that it will not be incompatible with the public interest, (b) shall not include any more land than is reasonably necessary for the purpose for which granted, (c) shall include provisions for payment of adequate compensation, and (d) may include a right to use from the subject lands materials and products for the construction and maintenance of authorized improvements thereon upon the payment of adequate compensation therefor.

SEC. 2. All or any part of such easement may be annulled or forfeited by declaration of the Secretary for failure to comply with the terms of the grant or for nonuse for a period of two consecutive years or abandonment of rights granted under authority hereof.

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

ROBERT FROST MEDAL

The Clerk called the bill (S. 3439) authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to present, in the name of Congress, an appropriate gold medal to Robert Frost in recognition of his poetry, which has enriched the culture of the United States and the philosophy of the world. For such purpose, the Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 2. There is authorized to be appropriated the sum of $2,500 to carry out the provisions of this Act.

Mr. HOFFMAN of Michigan. Mr. Speaker, I move to strike out the last word.

The SPEAKER pro tempore (Mr. MILLS). The gentleman cannot be recognized for that.

Mr. HOFFMAN of Michigan. A Member cannot be recognized to offer an amendment?

The SPEAKER pro tempore. An amendment to strike out or reduce an amount would be in order, but not a pro forma amendment.

Mr. HOFFMAN of Michigan. This is to authorize the President to present a gold medal. That is the one I want to offer an amendment to.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, this is a bill to authorize the President to present a gold medal to this New England poet. I am in favor of that, but I would like to add to it the presentation of a gold medal to the chairman of any committee of the House who will give consideration to a bill I have pending. We all recall that the politicians in both parties have been "het up" and bothered about the civil rights of certain persons; that is to say, it is claimed certain individuals, because of their race, color, or state of origin have been discriminated against. Permit me to say something about civil rights protection for some—not all.

Certainly every citizen, regardless of race, creed, color, or state of origin, should have the right to vote.

Certainly he should have equal rights to participate in every activity where the expenditure of Federal funds is involved.

Equally important is the right to earn a livelihood.

Certainly no one should be deprived of that right by being forced to work where conditions are detrimental to his health or the wage is insufficient to buy not only necessities but the enjoyable customary advantages offered by our economic system.

Most assuredly no one who has created a job, an opportunity for work, the earning of a wage, should be required to pay an amount or accept conditions which will not permit him to continue his activities.

It is necessary that the public be protected from exorbitant charges where there is a monopolistic control of the necessities of life. Hence the proposition that Government—State and Federal—shall impose the restrictions upon services and products which are necessary for the continued existence of our people.

But strange as it may seem the politicians who are so active in behalf of what they call the people's civil rights are blind in this, a political year, to the obvious fact that it is not only un-American, unconstitutional, but obviously unfair and oppressive to permit any group to exercise the power of levying a tax upon the right to earn a living, upon the right to a job, upon the right to work. But such is the fact.

In Boston, on August 22, 1960, a busdriver's refusal to work overtime—either 2 minutes or 3 hours—caused a strike which tied up Boston's Metropolitan Transit Authority System just as the evening rush hour began—the New York Times, August 23, 1960. The strike ended 24 hours later.

An editorial of August 24, 1960, from the Washington Evening Star, referring to the busdriver, carried this caption, "He Wanted To Go Home," and called attention to the fact that thousands who wanted to use the buses also wanted to go home—the Washington Evening Star, August 24, 1960.

An Associated Press news story of August 29, 1960, called attention to the fact that negotiations were pending in an effort to prevent on September 1 a sitdown and strike of the entire Pennsylvania Railroad, the issue being whether the company should have the privilege, in managing its business, of "farming out" repair work to other companies, that is to say, whether the company or the union should determine how much of its business should be carried on in the home plant—the Washington Evening Star, August 29, 1960.

It has long been my contention that, where a public utility was involved, where the Government—State or Federal—fixed the conditions and the amount of the rate under which an organization should operate, when it was furnishing services or products upon the existence of which our daily activities depended, no one, no organization, should be permitted to halt the supply of those necessities.

Many can remember the statement of Governor Coolidge who unhesitatingly announced that strikes against the public would not be tolerated in Massachusetts. His subsequent election as Vice President, his assumption of the office of President on the death of President Harding, is proof that the people overwhelmingly subscribed to that statement.

As recently as March 10, 1959, when Mr. Meany, president of the AFL–CIO, appeared before a House committee, in answer to my question as to what he would say about legislation which would prohibit employees of public utilities, where the Government has something to do with fixing rates, from striking, replied:

> Well, I'll tell you, the idea of that legislation, Mr. HOFFMAN, would be that because of a tremendous public interest in a public utility, because the operation of a public utility touches the lives of practically all the people in the community, that the employee, should not have the right to strike because that would sort of have an adverse effect on all the people.

When hundreds of thousands of Federal employees, engaged in transacting the business of the Government here in Washington, were prevented from going to their jobs by a strike against the Capital Transit Co., a bill, H.R. 4612, was introduced by me on November 7, 1945, "to expedite the business of the Federal Government."

Again, on July 7, 1955, a similar bill was introduced. Again, on February 9, 1959, another effort was made by introducing a bill which, among other things, provided:

> 1. It shall be unlawful for any individual employed in any public utility affecting commerce whose rates are fixed by some governmental agency to participate in any strike.

Since then, after the Congress had authorized the appropriation of billions upon billions of dollars for national defense, including expenditures for the production of missiles, strikes in Florida and California halted the production of needed implements of war.

Day after day, time and time again, we are advised by those in authority, those who should have accurate information, that our country is in danger because we have lacked production and so endangered our national security.

One of the paramount issues of this campaign is whether we have adequate defense—defense equal or superior to the war power of Russia.

Time and again in the past, and many times I have put the facts in the record, our ability to defend ourselves has been impaired by strikes.

Yet the politicians and the statesmen seeking office have refused, both on the Committee on Education and Labor, of which I am a member, and in the House, to give any consideration whatsoever to the issue as to whether an American citizen shall or shall not be permitted to work for his own advantage, for national security, permitted to participate in the preparation for national defense, without paying tribute to some organization.

Will some of the officeseekers, some of the statesmen, in either or both political parties, give the public the reason for their failure to act?

It cannot be because of a lack of information, a lack of knowledge—ignorance of the right involved. Why is it? Is it because we lack the courage to deny the commands of union officials?

Is any small group to be permitted to fix the cost of national defense or determine whether our defense shall be adequate?

It has been my privilege to serve on the House Committee on Education and Labor since 1940. Repeatedly, consideration of legislation similar to that to which reference has been made has been requested, not only of early chairmen of that committee, but the request was made to a Republican chairman—Chairman McConnell of Pennsylvania—to the present Democratic chairman, GRAHAM BARDEN of North Carolina.

No consideration whatever has been given to this measure.

The House itself, when the Landrum-Griffin bill was under consideration, at the dictation of those in charge of the bill, limited my discussion of this and another equally important amendment to 54 seconds on each proposition.

Is it not the desire for political advantage which is denying at least a hearing of this vital proposition that no longer shall a minority be permitted to interfere with the welfare of our citizens—the future national security of the Nation?

The editorials referred to follow:

[From the New York Times, Aug. 23, 1960]

TRANSIT IN BOSTON HALTED BY STRIKE—METROPOLITAN EMPLOYEES ACT AFTER DRIVER IS SUSPENDED—690,000 USE SYSTEM

BOSTON, August 22.—A general strike, caused by a driver's refusal to work overtime, tied up Boston's Metropolitan Transit Authority System today, just as the evening rush hour began.

The management suspended the driver and said that the overtime work involved about 2 minutes at the end of the run. Union officials denied this and said the overtime involved a total of 3 hours.

More than 690,000 commuters were stranded when 4,600 members of MTA Local 589 of the Street, Electric Railway, and Motor Coach Employees Union called the strike.

The transit authority said the strike was caused by a public-be-damned attitude on the part of the drivers.

Thomas J. McLernon, MTA general manager, who came to the job in July from a post with the New York Transit Authority, and Joseph Fahey, a member of the international executive board of the carmen's union, met with Gov. Foster Furcolo and Atty. Gen. Edward J. McCormack, Jr., to confer on a proposal to end the walkout.

COMPROMISE SOUGHT

Officials said a compromise was sought. It repeatedly involved the return to work of Edward Burns of Westford, the driver who refused the overtime, and simultaneous return to work of the strikers.

The issue was complicated by the fact that, since last December 31, the MTA workers have been without a formal contract. The union's demand for a wage increase is before two arbitrators, but the aribtrators have been unable to agree on a third, or neutral, member of the arbitration board.

The last strike on what is now the MTA system was a 12-hour walkout against the Boston Elevated Railway Co. in 1945. There were also brief strikes against the Boston El in 1912 and 1919. The deficit-ridden Boston El was purchased by the State in 1957 for $22 million.

MAIN ROADS JAMMED

The Boston police reported that many main roads into the city were jammed with cars. They said the city's Common, a grassy park in the heart of the downtown area, was

ringed with double and triple lines of automobiles as suburban housewives sought their husbands, stranded in the city by the transit tieup.

At Revere Beach, about 10 miles north of Boston, the MTA reported nearly 2,000 persons, many clad in bathing suits and carrying beach umbrellas and picnic baskets, were milling about the transit system's beach station seeking transportation home.

The vast transit authority system extends like the spokes of a wheel over 114 square miles and serves more than a dozen cities and towns on Boston's periphery. It is a combination of rapid transit subway tunnels and above-ground trolleys and buses, serving a Greater Boston population of nearly 2 million persons.

[From the New York Times, Aug. 24, 1960]

TRANSIT STRIKE IS ENDED IN BOSTON

BOSTON, August 23.—A strike that tied up Greater Boston's rapid transit system for 24 hours ended late today.

Gov. Foster Furcolo announced the settlement after an all-day conference with representatives of the Metropolitan Transit Authority and the Street Railway and Motor Coach Employees Union. The authority runs the transit system.

Commuters had resorted to walking, hitchhiking, car pools, and taxicabs during the brief strike.

The authority said the strike was called over a driver's refusal to work 2 minutes overtime. The union denied this.

The bus driver involved was Edward L. Burns of Westford. He said the run he was asked to take would have caused 30 minutes of overtime. "I wanted to go home," he said.

The strike involved 4,500 operators and affected 1,500 other employees who were thrown out of work.

Under the agreement Mr. Burns will be reinstated.

[From the Washington Evening Star, Aug. 24, 1960]

HE WANTED TO GO HOME

Hundreds of thousands of hapless commuters in Greater Boston have just been subjected for 24 hours to the enormous indignities, inconveniences and discomforts of a sudden, unexpected and altogether crippling transit strike. Why?

Well, it seems that a bus driver up there—a 42-year-old man named Edward Burns, with "a very good record"—refused to take on an overtime task that would have required him to work, according to his boss, only an extra 2 minutes. He disputes this. He says it would have been nearer a half hour. Anyhow, he walked away from the job. As he has put it, "I just wanted to go home."

In response, Mr. Burns' boss temporarily suspended him, and then his union reacted by going on strike without warning—at the height of the evening rush hour for buses, streetcars, and subway trains. There then followed chaos in the transportation system run by Boston's Metropolitan Transit Authority whose general manager bravely declared: "I don't intend to retreat one bit * * *. The basic point at issue is whether management is going to run the MTA or whether the union is going to run it.

This is good talk and sound principle. Yet the fact remains that the people of Boston's metropolitan area—people who like to travel normally to work in the morning and who want to go home in the evening quite as much as anybody else, including Mr. Burns—have been caught in the middle. On one hand, the transit authorities have sought to be properly firm; on the other, acting with what might be called ironfisted whimsicality, the union has created a paralysis of transportation in protest against the mild disciplining of a driver who had refused to work a few minutes overtime at overtime pay.

Perhaps we should hail this event as another example of how wonderfully free is our free way of life, and how gloriously armed are our unions to safeguard their members from laboring a few extra minutes at bonus rates of pay. Boston's commuters, however, probably take a less cheery view of the matter. Some people, of course, can be pretty narrowminded.

[From the Washington Evening Star, Aug. 29, 1960]

PENNSY DISPUTE TALKS SLATED

PHILADELPHIA, August 29.—Last-minute negotiations to prevent a September 1 strike and shutdown of the entire Pennsylvania Railroad begin today on an unpleasant note.

Francis A. O'Neill, chairman of the National (Railway) Mediation Board, meets separately with the Transport Workers Union and the railroad and then, if possible, with both sides jointly.

Over the weekend, Michael J. Quill, international president of the TWU, said he wanted the joint session to be open to the public because the railroad has said the public will suffer greatly from a strike.

Railroad spokesmen countered that Mr. Quill's proposal was a publicity gag. In any event, they said, public sessions were a matter for the mediation board to decide.

LITTLE HOPE OF ACCORD

Mr. O'Neill has not commented on the proposal.

Mr. Quill also said that Allen J. Greenough, president of the railroad, must be present at the negotiations. The railroad said Mr. Greenough had not changed earlier plans to attend.

"There is absolutely no hope of a settlement," Mr. Quill added.

His union represents 20,000 nonoperating employees who are scheduled to strike at 1 minute past midnight Thursday morning. Five thousand more nonoperating employees, represented by the system federation, also are to strike.

ISSUES OUTLINED

The railroad has said that all but 2,000 of its remaining 50,000 employees will be furloughed and the entire line from New York to St. Louis will be shut down.

The major issue is the farming out of repair work to other companies. The two unions claim this practice endangers the jobs of the employees they represent. The railroad says some repair work can be done more efficiently by outside companies.

Another big issue is job classification, or spelling out in the contract the exact duties of each employee.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. LANE. Mr. Speaker, our most distinguished living poet, Robert Frost, was born in San Francisco, Calif. He was named for the Confederate general, Robert E. Lee. And he was raised in Massachusetts.

The biographical summary of Mr. Frost, prepared by the Library of Congress, observes that "Robert disliked study and refused to read any book by himself until he was 12." Then came the first turning point in his life:

At Lawrence High School, however—

In Lawrence, Mass.—

he developed an enthusiasm for learning, and was graduated in 1892 as valedictorian and class poet.

We pause, in tribute to the unsung teachers of his formative years. In discovering and encouraging his genius, they fulfilled the inspiring traditions of their profession.

After a brief stay at Dartmouth College, Robert Frost returned to Lawrence. For the next few years he worked in the textile mills, tried newspaper reporting, and helped his mother in the management of a small private school. It was during this period that his first poem was accepted for publication by the New York Independent.

He married his high school sweetheart, and enrolled as a special student at Harvard, but later abandoned the academic career. In 1900 he moved to Derry, N.H., where he struggled to support his family as a poultry farmer, with ill success, until 1909. From 1906 until 1911 he taught English at Pinkerton Academy in Derry, and for the academic year 1911 and 1912 was teacher of psychology at the State normal school, Plymouth, N.H. In 1912, he decided to give up farming and teaching. Taking his wife and four children to England, he concentrated on developing the style and the insights that eventually "brought pleasure, comfort, inspiration, thoughtfulness, keener awareness of nature, and greater understanding of fellow human beings to thousands of people in all parts of the civilized world."

His first book of poems, "A Boy's Will," won the acclaim of critics and poets. It was followed by "North of Boston," which delighted and impressed many readers. In the New York Times book review of June 19, 1960, Winfield Townley Scott wrote:

Finally there has been his emergence as the most widely read poet of our time, read by highbrow and low; his establishment in the public consciousness as an ancient sage endowed almost with sainthood * * * an American institution right along with motherhood and the flag.

The lengthy list of honorary degrees and prizes awarded to Frost testify to his talent and his prestige. In 1959, he accepted an appointment as honorary consultant in the humanities of the Library of Congress, for a 3-year term.

Mr. Speaker, a civilization becomes immortal through the creations of its mind and spirit. The proud and brazen symbols of its material power crumbles in the dust of centuries, while the expression of its highest aspirations, become timeless.

So it was with Greece and Rome, and others before and since. Plato, Leonardo da Vinci, Shakespeare, Lincoln, Einstein, and many more; saints and poets, philosophers and scientists, they have opened up new frontiers for the human race in its restless search for truth.

In the United States today, thoughtful citizens are seeking to define our national purposes and objectives as if to rediscover something we once knew and have forgotten.

The age of affluence is not enough. We need modern prophets, with insight

imagination, wisdom, and courage, to illuminate the way for us. Men like Robert Frost "whom age cannot wither nor custom stale his infinite variety."

Today in the Congress, we take a minute's recess from ponderous matters to consider a small and simple bill. By the numbers, it is identified as S. 3439. It calls for a modest appropriation of $2,500. This small sum will enable the Bureau of the Mint to design and strike a gold medal which the President of the United States will then present to Robert Frost.

It will be a small token of gratitude that will pass unnoticed among the billions of dollars appropriated for defense and for other compelling material requirements. And yet, future generations in passing judgment on our times, may well conclude that this act coincided with the beginning of greatness for American civilization.

Robert Frost will cherish this honor in his own right. But he will derive much more satisfaction from the fact that he opened the way for others.

Robert Frost had the vision to see and to say that the United States would come of age when it granted national recognition to those who make outstanding contributions to the cultural development of our society.

For only the Nation that values and honors creative excellence is worthy of honor, itself.

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

J. B. WHITE

The Clerk called the bill (S. 882) for the relief of heirs of J. B. White.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, without consideration, to the heirs of J. B. White (living at the time of the death of the said J. B. White) all oil, gas, and other mineral rights which are held by the United States in lands conveyed by such heirs to the United States and described in the records of the office of the county court clerk of Powell County, Stanton, Kentucky, in deed book 31, pages 362–367, inclusive, such rights having been erroneously conveyed to the United States.

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

AUBURN UNIVERSITY, AUBURN, ALA.

The clerk called the bill (S. 3759) authorizing the Secretary of Agriculture to convey certain lands to Auburn University, Auburn, Ala.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to the provisions of section 2 of this Act, the Secretary of Agriculture is authorized to convey by quitclaim deed to Auburn University, a land-grant college located at Auburn, Alabama, all right, title, and interest in and to the following described tract of land which constitutes a portion of a forty-acre tract of land donated in 1939 to the United States by the Alabama Polytechnic Institute (now Auburn University), and which is essential to the planned immediate expansion of such university: Beginning at a point 336.1 feet north 0 degrees 57 minutes west of the southeast corner of section 25, township 19 north, range 25 east, Saint Stephens meridian in the city of Auburn, county of Lee, State of Alabama; thence continuing north 0 degrees 57 minutes west along the east boundary line of said section 25, 1,144.2 feet; thence south 89 degrees 40 minutes west 1,164.0 feet to the southeasterly margin of the Wire Road; thence south 36 degrees 15 minutes west along said margin of the Wire Road 126.8 feet; thence south 24 degrees 26 minutes east 780.0 feet; thence south 10 degrees 06 minutes west 328.0 feet; thence south 89 degrees 50 minutes east 938.9 feet to the point of beginning, containing 27 acres more or less.

SEC. 2. In consideration of the conveyance authorized by the first section of this Act, Auburn University shall lease to the Department of Agriculture forty-two acres of land, more or less, in the vicinity of such university suitable (as determined by the Secretary of Agriculture) for carrying on the same or similar type research now engaged in by the Department of Agriculture on lands to be conveyed pursuant to the first section of this Act. Any lease entered into pursuant to the provisions of this section shall run for a period of one year from the date of its execution by Auburn University, and shall contain an option in favor of the Department of Agriculture for its renewal for one or more periods, the total leasing period not to exceed 99 years.

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

LAND CONVEYANCE, BIBB COUNTY, GA.

The Clerk called the bill (H.R. 12503) to provide for the conveyance to Carolina Freight Carriers Corp., a corporation of the State of North Carolina, of certain lands and any improvements thereon located in Bibb County, Ga.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce is directed to convey to Carolina Freight Carriers Corporation, a corporation of the State of North Carolina, at the fair market value, all the right, title, and interest of the United States in and to a certain rectangular parcel of land, situate in Bibb County, Georgia, measuring 15.1 feet by 21.4 feet, and hereinafter more particularly described together with any and all improvements thereon: *Provided,* That the consideration of and for said conveyance shall be limited to the fair market value of the land alone, the improvements having been inadvertently erected thereon by and at the sole expense of said Carolina Freight Carriers Corporation.

Said parcel of land to be conveyed is more particularly described as follows:

That portion of the right-of-way on project FAGS 252–A(1) Bibb County, Georgia, beginning on the northerly right-of-way line at station 28+00 and running thence in a southerly direction perpendicular to the right-of-way a distance of 15.1 feet to a point 84.9 feet from the center line of said project, which point is at the southerly end of the building located thereon; thence angle right running east a distance of 21.4 feet to a point at station 27+78.6, which is the easterly edge of the building located thereon; thence angle right running northerly a distance of 15.1 feet to the northerly right-of-way line of said project; thence angle right, running 21.4 feet to the point of beginning.

A plat delineating the property to be conveyed, bearing date of June 29, 1959, was prepared by and is of record in the Department of the Navy.

With the following committee amendments:

Page 1, line 3, strike out "Commerce" and insert "the Navy".

Page 1, line 7, strike out "situate" and insert "situated".

Page 2, line 14, strike out "east" and insert "west".

Page 2, line 16, strike out "easterly" and insert "westerly".

The committee amendments were agreed to.

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

RELATING TO TIMBER RIGHTS OF IVAN H. McCORMACK

The Clerk called the joint resolution (S.J. Res. 9) to provide for the removal of a reservation of timber rights from a patent issued to Ivan H. McCormack.

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

Whereas the Act of August 23, 1935, authorized the conveyance of certain land in Oregon to Ivan H. McCormack; and

Whereas the patent conveying such land contained a reservation to the United States of the timber on such land; and

Whereas a field inspection by the Department of the Interior has revealed that no merchantable timber remains on such land: Now, therefore, be it

Resolved 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 for the relief of Ivan H. McCormack", approved August 23, 1935 (49 Stat. 2163), is amended by striking out "': *Provided further,* That the patent issued hereunder shall contain a reservation to the United States of the timber on the northeast quarter southwest quarter and the northwest quarter southeast quarter of said section 31, which timber shall remain subject to sale, and the proceeds thereof shall be credited to the 'Oregon and California land-grant fund' in accordance with the provisions of the Act of June 9, 1916 (39 Stat. L. 218)".

SEC. 2. The Secretary of the Interior shall execute and deliver to Clarence A. Sapp and Pearl E. Sapp of Philomath, Oregon, an appropriate written instrument which will effect with respect to the land conveyed under such Act the amendment made by the first section of this Act.

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

CONVEY TITLE TO CERTAIN LANDS IN IDAHO

The Clerk called the bill (H.R. 10586) to enable the Oregon Short Line Railroad Co. to convey title to certain lands in

Idaho to the Pocatello First Corp., of the Church of Jesus Christ of Latter-day Saints.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any provisions of the Act of September 1, 1888 (25 Stat. 452 and the following), relating to the ratification of an agreement between the United States and the Shoshone and Bannock Indians, or any other provision of law, no forfeiture or reversion to the United States or to any tribe or tribes of Indians shall take place by reason of any conveyance, quitclaim, or otherwise, made within one year after the date of enactment of this Act by the Oregon Short Line Railroad Company and/or the Union Pacific Railroad Company (corporations of the State of Utah), to the Pocatello First Corporation of the Church of Jesus Christ of Latter-day Saints (a corporation solely of the State of Idaho) of any or all right, title, or interests which such companies, or either of them, has or would have in and to the following described real property lying in Bannock County, State of Idaho:

An irregular tract of land situate in the northeast quarter of southwest quarter of section 35, township 6 south, range 34 east of the Boise meridian in the city of Pocatello, Bannock County, Idaho, bounded and described as follows:

Beginning at the northwest corner of said northeast quarter of southwest quarter of section 35; thence east along the east and west centerline of said section 35, a distance of 465.8 feet, more or less, to the southwesterly line of Grant Avenue in the city of Pocatello; thence southeasterly along the southeasterly extension of said southwesterly line of Grant Avenue, a distance of 643.5 feet; thence southwesterly, at right angles, a distance of 228.2 feet; thence west along a straight line parallel with said east and west centerline of section 35, a distance of 563.5 feet, more or less, to a point in the southeasterly extension of the northeasterly line of Lincoln Avenue; thence northwesterly along said extension of northeasterly line of Lincoln Avenue a distance of 229.0 feet, more or less, to a point in the west line of said northeast quarter of southwest quarter of section 35; thence north along the west line of said northeast quarter of southwest quarter a distance of 463.0 feet, more or less, to the point of beginning.

Containing an area of 10.0 acres, more or less.

SEC. 2. That said railroad companies are hereby authorized to quitclaim jointly or separately any or all interest they, or each of them, have in and to the above described property to said church, reserving, however, to themselves, their successors and assigns, an easement for any and all existing pipelines and pipeline right-of-way over, under, and across the premises hereinbefore described, and also reserving to said railroad companies the right to operate and maintain the same, and that the rights of forfeiture or reversion of all lands granted in said Act passed and approved September 1, 1888, be, and the same are in all respects, insofar as they pertain to the lands above described, including the easements and rights reserved, hereby revoked and held for naught.

SEC. 3. That upon said railroad companies, or either of them, conveyed by quitclaim deed, or otherwise, to such Pocatello First Corporation of the Church of Jesus Christ of Latter-day Saints pursuant to sections 1 and 2 of this Act, the lands described in section 1, the United States hereby waives, relinquishes, and quitclaims to said railroads, or either of them, all right, title, or interest which the United States may have in or to the easements and rights reserved by said railroad companies, or either of them, and waives, relinquishes, and quitclaims to said church all right, title, or interest which the United States may have in and to such lands, subject to the aforementioned reservations in favor of said railroads.

With the following committee amendments:

Page 1, lines 9 and 10, strike out the words "made within one year after the date of enactment of this Act".

Page 3, line 7, strike out the words "That said" and insert in lieu thereof "Said".

Page 3, line 15, strike out the word "that".

Page 3, line 17, strike out the words "be, and the same".

Page 3, line 21, strike out the words "That upon" and insert in lieu thereof "Upon".

Page 3, line 22, strike out the word "conveyed" and insert "conveying".

Page 4, after line 8, add a new section to read as follows:

"SEC. 4. The provisions of this Act shall be effective only upon payment to the United States within one year from the date of this Act of the present fair market value of the lands described in section 1 hereof except such part of said value as is attributable to improvements on said lands which were not placed thereon by the United States as determined by the Secretary of the Interior."

The committee amendments were agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. HALEY: On page 3, line 17, after the date "September 1, 1888" strike out the word "be".

The amendment was agreed to.

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

The SPEAKER pro tempore. That concludes the call of the Private Calendar.

AMENDING THE ACCIDENTS REPORTS ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate 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.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

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."

With the following committee amendments:

Page 1, line 9, strike out "It" and insert "That it".

Page 2, in lines 6, 7, and 8, strike out "sufficient to incapacitate such person from performing his regular work for 24 hours or more,"; and in line 8, after "roadbed" insert a comma.

Page 2, line 15, after "1910" and before the comma insert "(45 U.S.C., sec. 42)".

Page 2, line 21, strike out the colon and all that follows through the word "Act" in line 2 on page 3.

Page 3, line 3, after "1910" and before the comma insert "(45 U.S.C., sec. 43)".

Mr. GROSS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I do this merely to ask a question of the chairman of the committee. Is there any cost involved in this bill?

Mr. HARRIS. None at all.

Mr. GROSS. I thank the gentleman.

Mr. HARRIS. This bill has to do with reporting requirements by common carriers; that is, the railroads, of accidents. It was approved by the railroads, the Interstate Commerce Commission, the Railroad Retirement Board, the Railway Labor Executives Association, and everyone concerned.

Mr. GROSS. And there is no cost to the Federal Government?

Mr. HARRIS. No additional cost to the Federal Government at all by reason of this bill.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

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

GRANTS-IN-AID TO UNIVERSITIES, HOSPITALS, LABORATORIES, AND OTHER PUBLIC OR NONPROFIT INSTITUTIONS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 10341) to amend the Public Health Service Act to authorize grants-in-aid to universities, hospitals, laboratories, and other public or nonprofit institutions to strengthen their programs of research and research training in sciences related to health.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, what, if any, will be the cost of this bill to the Federal Government?

Mr. HARRIS. Not any additional cost at all. This has to do with institutions which receive research grants under the present program. This authority would permit up to 15 percent of the allocations to be made to the institutions for allocation by the institutions instead of Federal Government making it directly to the individual.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(d) of the Public Health Service Act, as amended (42 U.S.C. 241(d)), is amended by adding after the semicolon at the end thereof "and make, upon recommendation of the National Advisory Health Council, grants-in-aid to public or nonprofit universities, hospitals, laboratories, and other institutions for the general support of their research and research training programs: *Provided,* That such uniform percentage, not to exceed 15 per centum, as the Surgeon General may determine, of the amounts provided for grants for research projects for any fiscal year through the appropriations for the National Institutes of Health may be transferred from such appropriations to a separate account to be available for such research and research training program grants-in-aid for such fiscal year;".

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

SECTION 4(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13066) to amend section 4(a) of the Securities Exchange Act of 1934, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth sentence of subsection (a) of section 4 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78(d)), is amended by adding ", except that the chairman shall receive additional salary at the rate of $500 a year" after "$20,000 a year".

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

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks immediately prior to the passage of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, cannot the gentleman, without my having to get up each time, make a brief statement and say what his proposal is going to cost, if anything. I do not like to get up on all these bills, but I would like to know.

Mr. HARRIS. Mr. Speaker, I appreciate the gentleman's situation and I hope he appreciates mine. But I would have some hesitancy in reserving the right to object to my own request in order to make a statement.

Mr. GROSS. Very well, then, I will do it for the gentleman.

Mr. HARRIS. This will cost no more money than is now the case. We passed a bill a few days ago affecting the terms of office of the Chairman and other members of the Securities and Exchange Commission, but there was a little item overlooked. Under established procedure, under the Federal Executives Pay Act it is provided that the chairmen of these regulatory commissions would be paid $500 in salary more than the other commissioners. When we amended the bill, affecting their terms of office, in the last few days, we overlooked that and in fact reduced the chairman's salary by $500. This corrects the error.

Mr. GROSS. So there is some money involved in this bill. Why should the Chairman of the Securities and Exchange Commission have $500 more than the chairman of any other commission? Is not that the statement the gentleman just made?

Mr. HARRIS. The procedure was established many years ago, because of the extra duties required of the Chairman, and has been so recognized throughout the years, to do as I have stated.

Mr. GROSS. Let us get this straight. Does the gentleman say that he gets $500 more than the chairman of any other commission? That is, $500 more than the chairman of any other commission in Government?

Mr. HARRIS. No; $500 more than the members of that particular commission. The chairmen of other commissions receive $500 more than the members of their commission.

Mr. GROSS. I can understand that, but I thought the gentleman was saying the chairman of the Federal Securities and Exchange Commission got $500 more than the chairman of any other commission.

Mr. HARRIS. I did not intend to leave that impression.

Mr. GROSS. I thank the gentleman.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, the gentleman has been here a long, long time and is quite familiar with the procedure. Does the gentleman recall any instances over the years where we have had any of these equalization bills up where anyone's compensation has been reduced in order to equalize the compensation? Now, think hard. After due deliberation the gentleman cannot recall a single one.

Mr. HARRIS. After due deliberation, I cannot think of a single one.

Mr. HOFFMAN of Michigan. It seems to me that some time when we are on this equalization process we should reduce the whole outfit, to reduce this tendency toward inflation all the time.

The SPEAKER pro tempore. Without objection, the gentleman's request to extend his remarks is agreed to.

There was no objection.

TERMS OF OFFICE OF CERTAIN REGULATORY AGENCIES

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13067) to amend Public Law 86-619, an act to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies, approved July 12, 1960.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. YOUNGER. Reserving the right to object, Mr. Speaker, I should like to have our distinguished chairman explain this bill.

Mr. HARRIS. Mr. Speaker, this is another bill to correct an error that was made when the House passed a bill extending the terms of office of members of the Federal Power Commission. We accepted an explanation of the provision. They sent it up here. The language was used at that time that the second sentence of the first section of the act was amended, and so forth, when in fact it should have been the second sentence of the second paragraph of the first section of the act. That is all this does, amend what we did before to correct an error.

Mr. YOUNGER. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of Public Law 86-619 (74 Stat. 407), approved July 12, 1960, is amended by inserting "of the second paragraph" immediately following the word "sentence". As so amended, section 1 reads as follows:

"That the second sentence of the second paragraph of the first section of the Federal Power Act (16 U.S.C. 792) is amended to read as follows: 'Their successors shall be appointed each for a term of five years from the date of the expiration of the term for which his predecessor was appointed and until his successor is appointed and has qualified, except that he shall not so continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office, and

except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term.'"

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

EXTENSION OF SUGAR ACT

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13062) to extend the Sugar Act of 1948, as amended.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 412 of the Sugar Act of 1948 (relating to termination of the powers of the Secretary under the Act) is amended to read: "The powers vested in the Secretary under this Act shall terminate on December 31, 1961, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1961 and previous crop years".

SEC. 2. Sections 4501(c) and 6412(d) (relating to the termination and refund of taxes on sugar) of the Internal Revenue Code of 1954 are amended by striking out "September 31, 1961" in each place it appears therein and inserting in lieu thereof "June 30, 1962".

SEC. 3. Section 408 of the Sugar Act of 1948, as amended (relating to suspension of quotas), is amended by striking out of subsection (b) "for the period ending March 31, 1961" and inserting "for the period ending December 31, 1961" and by striking out of subsection (b)(1) "for the balance of calendar year 1960 and for the three-month period ending March 31, 1961" and inserting "for the period ending December 31, 1961".

SEC. 4. Section 302(b) of the Sugar Act of 1948, as amended (relating to the establishment of proportionate shares for farms), is amended by striking out the period at the end of the first sentence and inserting a colon and the following: *"Provided,* That 75 per centum of any increase in proportionate shares in any area where restrictions are in effect for the 1961 crop year over the total of restricted proportionate shares established for such area in the preceding year, less any shares arising from the 1960 growth factor, shall be reserved for new producers.".

With the following committee amendments:

Page 2, line 2, strike out "31" and insert "30".

Page 2, following line 21, add following new section:

"SEC. 5. Subparagraph (iii) of subsection (b)(2) of section 408 of the Sugar Act of 1948, as amended, is amended—

"(a) by inserting after the word 'shall' the word 'next'; and

"(b) by striking out the proviso therein and inserting: '*Provided,* That if at any time after this Act goes into effect, collective economic sanctions against one or more of the countries from which purchases are to be made under the provisions of this subsection are agreed upon by and between the United States and other countries, pursuant to treaty, and effective specific actions to implement such sanctions are undertaken by a majority provided in the treaty of such other treaty signatories, the President may discontinue, in whole or in part, and for such periods of time as he may deem necessary, further purchases from such country or countries under this subsection to the extent that such further purchases are in excess of an amount equivalent to the amount established under section 202(c), except that for the calendar year 1960 unless such sanctions are agreed upon and implemented prior to October 15, 1960, no purchases under this subsection for 1960 may be discontinued or deferred and authorization for such purchases shall be made in time to permit shipment of the entire amount to be received in the United States prior to December 31, 1960: *And provided further,* That if amounts of sugar in addition to those purchased hereunder are required, the President may authorize the purchase of such amounts from any foreign countries, without regard to allocation, but with preference to those countries agreeing to purchase United States agricultural commodities;'."

The committee amendments were agreed to.

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

The title was amended so as to read: "A bill to amend the Sugar Act of 1948, as amended."

A motion to reconsider was laid on the table.

AMENDMENT OF TRUST INDENTURE ACT OF 1939

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3771) to amend certain provisions of the Trust Indenture Act of 1939, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 304 of the Trust Indenture Act of 1939, as amended, is amended to read as follows:

"(c) The Commission shall, on application by the issuer and after opportunity for hearing thereon, by order exempt from any one or more provisions of this title any security issued or proposed to be issued under any indenture under which, at the time such application is filed, securities referred to in paragraph (3) of subsection (a) of this section are outstanding or on January 1, 1959, such securities were outstanding, if and to the extent that the Commission finds that compliance with such provision or provisions, through the execution of a supplemental indenture or otherwise—

"(1) would require, by reason of the provisions of such indenture, or the provisions of any other indenture or agreement made prior to the enactment of this title, or the provisions of any applicable law, the consent of the holders of securities outstanding under any such indenture or agreement; or

"(2) would impose an undue burden on this issuer, having due regard to the public interest and the interests of investors."

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I direct the attention of the Members of the House to the purpose of the bill S. 3771, as set forth in the report:

The amendment to the Trust Indenture Act of 1939 embodied in the bill (S. 3771) here being reported would extend the time within which certain applications for exemption from the act might be filed.

The Trust Indenture Act of 1939 requires that bonds, notes, debentures, and similar securities publicly offered for sale, except as specifically exempted by the act, be issued under an indenture which meets the requirements of the act and has been duly qualified with the Securities and Exchange Commission. The act requires the indenture to be qualified to designate standards of eligibility and qualification of the corporate trustee, to outlaw exculpatory provisions with respect to the liability of the indenture trustee, and to provide provisions by which the securities issued thereunder may be protected and enforced.

Section 304(c) of the Trust Indenture Act of 1939 presently permits the filing of an application for exemption from provisions of the act where the change in an indenture would require the consent of holders of securities outstanding under the indenture or would impose an undue burden on the issuer having due regard to the public interest and the protection of investors. However, this application may be filed only if there are outstanding at the time of filing securities which were outstanding prior to or within 6 months after August 3, 1939.

In anticipation of the fact that the opportunity to file application for exemption would some day expire, most companies have inserted such provisions of the act in their indenture to become effective when such old indenture securities are no longer outstanding. However, in some cases there was a delay in inserting such provisions so that there may be a period of time when such a company would be unable to do mortgage financing because of its inability to comply with certain provisions of the act under the standards of this provision.

In order to afford such companies an opportunity to bring their indentures fully into compliance with the act without undue hardship, the Commission proposes to amend such provision so as to extend the time of filing applications for exemption thereunder if securities were outstanding when the application is filed which were outstanding on January 1, 1959.

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

AMENDING SECTION 202(b), COMMUNICATIONS ACT OF 1934

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1740) to amend section 202(b) of the Communications Act of 1934 in order to expand

the Federal Communications Commission's regulatory authority under such section, with an amendment, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 202 of the Communications Act of 1934 (47 U.S.C. 202(b)) is amended to read as follows:

"(b) Charges or services, whenever referred to in this Act, include charges for, or services in connection with, the use of communication facilities of common carriers in chain broadcasting or incidental to radio communication of any kind."

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, strike out lines 6 to 10, inclusive, and insert in lieu thereof the following:

"(b) Charges or services, whenever referred to in this Act, include charges for, or services in connection with, the use of common carrier lines of communication, whether derived from wire or radio facilities, in chain broadcasting or incidental to radio communication of any kind."

The committee amendment was agreed to.

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. FLYNT. Mr. Speaker, the purpose of S. 1740 is clearly stated in the short and concise report—Report No. 2148—which accompanies this bill. It simply is an amendment to the scope of authority provision of the Federal Communications Act in the area of radio and wireless communications by common carrier facilities.

It is a provision which has been made necessary by recent technical electronic developments in the transmission of communications.

For example, until recent years, most communications were by means of wire facilities, and the regulations of charges, rates, and services were in some instances written in the light of technical developments as they were in 1930, 1940, or even 1950.

Today a substantial part of common carrier communications is accomplished by means of microwave facilities—a form of radio communications.

It is abundantly clear that such services and facilities are clearly within the purview of the Federal Communications Act, and the act should be amended accordingly.

Since the Communications Act of 1934 was enacted, increasing use has been made of point-to-point transmission as a substitute for wires in certain types of broadcasting—especially in network broadcasting.

Some common carriers are presently filing tariffs for the services of the type contemplated in this amending legislation.

In substance, S. 1740 takes a realistic look at technical developments and advances which have occurred since the enactment of the original language of this provision.

This legislation will make it very clear that the regulatory authority of the Commission extends to charges for the use of lines of communications which include use of radio facilities.

The language of the House amendment is clarifying language only. It does not change in any respect the purpose of the Senate bill. We believe that the House language clarifies the bill so as to more clearly reflect legislative intent.

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

AMENDING FEDERAL AVIATION ACT OF 1958

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1545) to amend the Federal Aviation Act of 1958 so as to authorize elimination of a hearing in certain cases under section 408, with an amendment, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. YOUNGER. Mr. Speaker, reserving the right to object, may I ask the chairman for an explanation of the bill?

Mr. HARRIS. Mr. Speaker, I yield to the chairman of the subcommittee, the gentleman from Mississippi [Mr. WILLIAMS] who will give a brief explanation of the bill.

Mr. WILLIAMS. Mr. Speaker, the purpose of this legislation is to eliminate certain nonessential hearings presently required by the Federal Aviation Act of 1958. It is part of the legislative program of the Civil Aeronautics Board. The Committee knows of no opposition to the proposal.

Enactment of this legislation would permit the Civil Aeronautics Board to eliminate the mandatory requirement of a hearing under section 408(b) of the Federal Aviation Act of 1958 in cases involving relatively simple transactions which cannot affect the control of a direct air carrier or create a monopoly, or tend to restrain competition. The bill requires that in such cases the Board would first have to determine that the public interest does not require a hearing and that no person disclosing a substantial interest has requested a hearing. Furthermore, notice of its intention to act without a hearing would have to be given by the Board through publication in the Federal Register with a copy of such notice sent to the Attorney General.

The need for the legislation arises from the fact that under section 408(b) of the Federal Aviation Act of 1958, the Board may not grant its approval of certain acts without first conducting a hearing. The acts referred to in section 408(a) may be generally classified as those tending to bring about a consolidation or merger of properties or acquisition of control of any air carrier, by another air carrier, common carrier, or person engaged in any phase of aeronautics. Among other things, they relate to the purchase, lease, or contract to operate the properties, or any substantial part thereof, of any air carrier as well as other conduct to bring about a merger or consolidation of air-carrier properties. Since the chief purpose of this section of the act is to prohibit the acquisition of control of one air carrier by another carrier, without specific Board approval, which requires both an application and a formal hearing, the majority of cases coming within its purview involve transactions which substantially affect the public interest and the mandatory hearing requirement should be and is retained with respect to them.

However, experience has shown that in many other cases a hearing required under section 408(b) serves no useful purpose. These are cases involving relatively simple transactions which by reason of their limited nature, first, cannot conceivably affect the control of a direct air carrier or result in creating a monopoly, restrain competition, or jeopardize another air carrier not a party to the transactions; second, do not involve an objection by any party having a substantial interest in the transactions involved; and, third, where a hearing would provide no further significant information concerning the transactions.

One example of such a transaction is the purchase or lease of a limited number of aircraft—often only one aircraft and seldom more than three—where it appears that the transaction will prove beneficial to both parties and the public and where no person not a party to the transaction is concerned with it. Another example is a transaction directly affecting only a small airfreight forwarder, where the public interest in the case is insignificant.

In cases such as these where a hearing serves no useful purpose and no interested person requests a hearing, the committee feels the Board should have authority to act on the matter without a hearing. Congress has granted authority similar to that being here requested to the Interstate Commerce Commission—section 5 of the Interstate Commerce Act—and to the Federal Communications Commission—section 221 of the Communications Act of 1934, as amended by the act of August 2, 1956.

The Board's action would be subject to court review, so that interested parties would be protected against arbitrary action.

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

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 408(b) of the Federal Aviation Act of 1958 be amended by striking the period at the end thereof, inserting a colon in lieu thereof, and adding the following proviso: *"Provided*

further, That in cases involving relatively simple transactions which do not affect the control of a direct air carrier, or result in creating a monopoly, or tend to restrain competition and where no person disclosing a substantial interest requests a hearing, the Board, after notice published in the Federal Register, copy of which shall be forwarded to the Attorney General, may determine that a hearing is not required in the public interest and may by order approve or disapprove the transaction which is the subject of the application."

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert the following: "That section 408(b) of the Federal Aviation Act of 1958 (49 U.S.C., sec. 1378(b)) is amended by inserting immediately before the period at the end thereof a colon and the following: '*Provided further*, That in any case in which the Board determines that the transaction which is the subject of the application does not affect the control of an air carrier directly engaged in the operation of aircraft in air transportation, does not result in creating a monopoly, and does not tend to restrain competition, and determines that no person disclosing a substantial interest then currently is requesting a hearing, the Board, after publication in the Federal Register of notice of the Board's intention to dispose of such application without a hearing (a copy of which notice shall be furnished by the Board to the Attorney General not later than the day following the date of such publication), may determine that the public interest does not require a hearing and by order approve or disapprove such transaction.'

"SEC. 2. The amendment made by the first section of this Act shall apply only with respect to applications submitted to the Civil Aeronautics Board on or after the date of enactment of this Act."

The committee amendment was agreed to.

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

AMENDING CERTAIN PROVISIONS OF INVESTMENT COMPANY ACT OF 1940

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2481) to amend certain provisions of the Investment Company Act of 1940, as amended, with amendments thereto, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. YOUNGER. Mr. Speaker, reserving the right to object, I ask the chairman to give us an explanation of this bill.

Mr. HARRIS. Mr. Speaker, I yield to the gentleman from Illinois, the chairman of the subcommittee [Mr. MACK].

Mr. MACK. Mr. Speaker, these are amendments to the Investment Company Act which have been recommended by the Securities and Exchange Commission. This is part of the legislative program of the Securities and Exchange Commission. It is the first amendment since 1940. Briefly, the proposed amendment would require a statement of policy of a registered investment company, which cannot be changed without the consent or approval of the holders of a majority of the voting securities, to include its fundamental investment objectives and investment characteristics. It would also strengthened the statutory provisions requiring that at least 40 percent of the members of the board of directors be persons who have no pecuniary interest in the operations and management of the investment company and who are not part of its operating staff. It would require that if an investment company chooses to keep its securities and investments in the custody of a bank such custodianship shall include the cash assets of the investment company; impose limitations upon the proportion of common or preferred stock that may be acquired by face amount certificate companies issuing fixed obligations—face amount certificates—to prevent such obligations from becoming unduly speculative; clarify certain exceptions to the definition of an investment company; required to register under the act; and clarify the terms "depositor" and "share of stock" used in the statute by adding specific definitions of these terms.

Mr. YOUNGER. Is it not true that the main function of this piece of legislation is to strengthen the hands of the SEC in administering the act? It is a stronger act than it was before?

Mr. MACK. The gentleman is entirely correct. There was some opposition from the Investment Company Association to the provisions which strengthen the act to give more control over the operation of the investment company. As the gentleman knows, this has become a tremendous business in the last 4 or 5 years, and there are tremendous sums being invested by the public each year.

Mr. GROSS. Mr. Speaker, will the gentleman yield for a question?

Mr. MACK. I yield.

Mr. GROSS. Is it my understanding that all of these bills from your committee were unanimously approved by the committee?

Mr. MACK. I would like to say that they were all reported unanimously by my subcommittee, and the full committee.

Mr. HARRIS. This bill and other bills were reported by the full committee unanimously.

Mr. GROSS. I do not know whether I am an exception in the House or not, but I had no previous notice or I saw no previous notice that any of these bills were coming up. We are taking this list of bills on faith. I hope we have not made any mistakes along the way. I saw no previous notice that the gentleman was going to bring up a series of bills such as this. Perhaps it is all right.

Mr. HARRIS. I might say to the gentleman that these bills are all bills that have been before us a long time. They are needed and are necessary. There has been some difficulty in working them out satisfactorily to everybody, with full protection of the public interest. We had five bills that the SEC requested. We are bringing up three of them. We are not bringing up the other two because there are differences of opinion, but these will strengthen the hands of the Commission in the administration of these acts and in doing their duty and carrying out their responsibilities.

Mr. GROSS. I would hope that next year some prior notice be given to Members of the House that you are going to call up a series of bills such as you have, so that we might have some opportunity to look them over.

Mr. HARRIS. I might say to the gentleman I worked this out yesterday; we finally worked it out and both sides agreed yesterday afternoon. I did not have any further opportunity. The gentleman knows what the situation is around here with reference to adjournment. That is the reason for this action today. I appreciate the confidence the gentleman from Iowa has in our committee and I will try never to do anything to destroy the confidence the gentleman has reposed in us.

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

The SPEAKER. Is there objection to the present consideration of the bill?

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of subsection (a) of section 2 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(1) 'Advisory board' means a board, committee, or group, whether elected or appointed, which is distinct from the board of directors or board of trustees, of an investment company, whether or not the functions of such board are such as to render its members 'directors' within the definition of that term, which board has advisory functions as to investments but has no power to determine that any security or other investment shall be purchased or sold by such company, but shall not include a board, committee, or group composed solely of directors, officers, and employees of such company and investment advisers and officers, directors, partners, or employees of any investment adviser of such company, or any of them."

SEC. 2. Paragraph (11) of subsection (a) of section 2 of the Investment Company Act of 1940, as amended, is amended by adding the following new paragraph:

"(11A) 'Depositor' means any person who has promoted or is promoting an investment company not having a board of directors, or his successor, or who has administrative functions relating to such company, including the power to eliminate or substitute portfolio securities under the instrument of organization of such company but does not include a person whose functions as a depositor have been assumed by a successor, or a trustee or custodian of such company designated in accordance with the provisions of Section 26 of this title."

SEC. 3. Paragraph (35) of subsection of section 2 of the Investment Company Act of 1940, as amended, is amended by adding the following new paragraph:

"(35A) 'Share of stock' means any security similar in nature to an equity security."

SEC. 4. Paragraph (37) of subsection (a) of section 2 of the Investment Company Act of 1940, as amended, is amended by striking out "Alaska," and "the Philippine Islands,".

SEC. 5. Paragraph (7) of subsection (c) of section 3 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(7) Any company substantially all of whose business, directly or through majority-owned subsidiaries, consists of one or

more of the businesses described in paragraphs (3), (5), and (6), or one or more of such businesses (from which not less than 25 per centum of such company's gross income during its last fiscal year was derived) together with an additional business or businesses other than investing, reinvesting, owning, holding, or trading in securities: *Provided,* That if such company or any majority-owned subsidiary is engaged in one or more of the businesses described in paragraph (6), such company or subsidiary is not engaged in the business of issuing face-amount certificates of the installment type or periodic payment plan certificates."

SEC. 6. Paragraph (8) of subsection (c) of section 3 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(8) Any company 90 per centum or more of the value of whose investment securities are represented by securities of a single issuer included within a class of persons enumerated in paragraphs (3), (5), (6), or (7), which issuer is controlled by such company within the meaning of section 2(a)(9)."

SEC. 7. Subsection (c)(9) of section 3 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(9) Any company (A) which is subject to regulation under the Interstate Commerce Act: *Provided,* That this exception shall not apply to a company which the Commission finds and by order declares to be primarily engaged, directly or indirectly, in the business of investing, reinvesting, owning, holding, or trading in securities; or (B) whose entire outstanding stock is owned or controlled by a company excepted under clause (A) hereof: *Provided,* That the assets of the controlled company consist substantially of securities issued by companies which are subject to regulation under the Interstate Commerce Act

SEC. 8. Paragraph (10) of subsection (c) of section 3 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(10) Any company with a registration in effect as a holding company under the Public Utility Holding Company Act of 1935: *Provided,* That such registered company has not been exempted pursuant to section 3 of that Act."

SEC. 9. Paragraph (13) of subsection (c) of section 3 of the Investment Company Act of 1940, as amended, is amended by striking out "conditions of section 165 of the Internal Revenue Code, as amended" and inserting in lieu thereof "requirements of section 401 of the Internal Revenue Code of 1954, as amended."

SEC. 10. Paragraph (1) of subsection (b) of section 5 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(1) 'Diversified company' means a management company which meets the following requirements: At least 75 per centum of the value of its total assets is represented by cash and cash items (including receivables), Government securities, securities of other diversified investment companies, and other securities for the purposes of this calculation limited in respect of any one issuer to an amount not greater in value than 5 per centum of the value of the total assets of such management company and to not more than 10 per centum of the outstanding voting securities of such issuer."

SEC. 11. Paragraph (1) of subsection (a) of section 6 of the Investment Company Act of 1940, as amended, is amended by striking out "Alaska," and "the Philippine Islands,".

SEC. 12. Paragraph (2) of subsection (b) of section 8 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(2) a recital of the investment policy of the registrant, which may, if it desires, make appropriate reservations of freedom of action for the protection of investors, in respect of (A) the extent to which it intends generally to invest in bonds or other obligations, preferred stocks, common stocks, or any one or more of any class or type of securities; (B) objectives as to income, preservation of capital or capital appreciation, if registrant represents that it will place emphasis on any one or more of such objectives; (C) the extent of investments to be made in issuers operating in particular geographical areas, if registrant represents that its investments will be so limited; (D) investment in companies for the purpose of exercising control or management; and (E) matters, not enumerated above or in paragraph (1), which the registrant deems matters of fundamental policy and elects to treat as such;".

SEC. 13. Subsection (a) of section 10 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"SEC. 10. (a) After one year from the effective date of this title, no registered investment company shall have a board of directors more than 60 per centum of the members of which are persons who are investment advisers of, affiliated persons or stockholders of any investment adviser of, or officers of employees of, such registered company or who are principal underwriters of, or persons controlling such registered company, investment adviser or underwriter, or affiliated persons of such underwriters or affiliated persons (other than solely as directors) of controlling or controlled persons of such registered company, investment adviser or underwriter, or shall have a board of directors more than 80 per centum of the members of which are the persons mentioned above and regular brokers of the company or affiliated persons of such brokers."

SEC. 14. Subsection (f) of section 10 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(f) No registered investment company shall knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security (except a security of which such company is the issuer) a principal underwriter of which is an officer, director, member of an advisory board, investment adviser, or employee of such registered company, or is a person (other than a company of the character described in section 12(d)(3) (A) and (B), voting securities of which are owned by such registered company) of which any such officer, director, member of an advisory board, investment adviser, or employee is an affiliated person, unless in acquiring such security such registered company is itself acting as a principal underwriter for the issuer. The Commission, by rules and regulations upon its own motion or by order upon application may conditionally or unconditionally exempt any transaction or classes of transactions from any of the provisions of this subsection, if and to the extent that such exemption is consistent with the protection of investors."

SEC. 15. Subsection (h) of section 10 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(h) In the case of a registered management company which is an unincorporated company not having a board of directors, the provisions of this section shall apply as follows:

"(1) the provisions of subsection (a), as modified by subsection (e), shall apply to the board of directors of the depositor of such company: *Provided,* That where the depositor acts as investment adviser to such company, a person who is an affiliated person of the depositor only by reason of being a director thereof shall not thereby be considered to be an affiliated person of an investment adviser of such company for the purposes of this subsection;

"(2) the provisions of subsections (b) and (c), as modified by subsection (e), shall apply to the board of directors of the depositor and of every investment adviser of such company: *Provided,* That where the depositor acts as a principal underwriter of securities issued by such company, a person who is an affiliated person of the depositor only by reason of being a director thereof shall not thereby be considered to be an affiliated person of a principal underwriter of such company for the purposes of this subsection; and

"(3) the provisions of subsection (f) shall apply to purchases and other acquisitions for the account of such company of securities a principal underwriter of which is the depositor or an investment adviser of such company, or an affiliated person of such depositor or investment adviser."

SEC. 16. Paragraph (3) of subsection (a) of section 13 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(3) Deviate from its policy in respect of concentration of investments in any particular industry or group of industries as recited in its registration statement, or deviate from any investment policy or any other fundamental policy recited in its registration statement pursuant to section 8(b)(2); or"

SEC. 17. Subsection (a) of section 17 of the Investment Company Act of 1940, as amended, is amended by striking out the clause: "(other than a company of the character described in section 12(d)(3) (A) and (B))."

SEC. 18. Subsection (c) of section 17 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(c) Notwithstanding subsection (a)—

"(1) a person may, in the ordinary course of business sell to or purchase from any company merchandise or may enter into a lessor-lease relationship with any person and furnish the services incident thereto;

"(2) a company described in section 12(d)(3) (A) and (B) may purchase from and sell securities or other property to the registered investment company or companies which own its voting securities or may borrow money or other property from such registered company or companies."

SEC. 19. Subsection (d) of section 17 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(d) It shall be unlawful for any affiliated person of or principal underwriter for a registered investment company, or any affiliated person of such a person or principal underwriter, acting as principal to effect any transaction in which such registered company, or a company controlled by such registered company, is a joint or a joint and several participant with such person, principal underwriter, or affiliated person, in contravention of such rules and regulations as the Commission may prescribe for the purpose of limiting or preventing participation by such registered or controlled company on a basis different from or less advantageous than that of such other participant. Nothing contained in this subsection shall be deemed to preclude any affiliated person from acting as manager of any underwriting syndicate or other group in which such registered or controlled company is a participant and receiving compensation therefor; nor shall it preclude a company described in section 12(d)(3) (A) and (B) from effecting any transaction because of the joint or joint and several participation of the registered investment company or companies which own its voting securities."

SEC. 20. Subsection (f) of section 17 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(f) Every registered management company shall place and maintain its securities and similar investment in the custody of (1) a bank or banks having the qualifications prescribed in paragraph (1) of section 26(a) for the trustees of unit investment trusts; or (2) a company which is a member of a national securities exchange as defined

in the Securities Exchange Act of 1934, subject to such rules and regulations as the Commission may from time to time prescribe for the protection of investors; or (3) such registered company, but only in accordance with such rules and regulations or orders as the Commission may from time to time prescribe for the protection of investors. Rules, regulations, and orders of the Commission under this subsection, among other things, may make appropriate provision with respect to such matters as the earmarking, segregation, and hypothecation of such securities and investments, and may provide for or require periodic or other inspections by any or all of the following: Independent public accountants, employees, and agents of the Commission, and such other persons as the Commission may designate. *No* such member which trades in securities for its own account may act as custodian except in accordance with rules and regulations prescribed by the Commission for the protection of investors. If a registered company maintains its securities and similar investments in the custody of a qualified bank or banks, the cash proceeds from the sale of such securities and similar investments and other cash assets of the company shall likewise be kept in the custody of such a bank or banks: *Provided,* That such a registered company may maintain an operating account in a qualified bank or banks which the balance of such account or the aggregate balances of such accounts at no time in excess of the amount of the fidelity bond, pursuant to section 17(g) of the Act, covering the officers or employees authorized to draw on such account or accounts."

SEC. 21. Paragraph (2) of subsection (f) of section 18 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(2) 'Senior security' shall not, in the case of a registered open-end company, include a class or classes or a number of series of preferred or special stock each of which is preferred over all other classes or series in respect of assets specifically allocated to that class or series: *Provided,* (A) that such company has outstanding no class or series of stock which is not so preferred over all other classes or series; or (B) that the only other outstanding class of the issuer's stock consists of a common stock upon which no dividend (other than a liquidating dividend) is permitted to be paid and which in the aggregate represents not more than one-half of 1 per centum of the issuer's outstanding voting securities; and (C) that such company files a recital of policy in respect of each class or series in accordance with the provisions of section 8(b) (1) and (2) of this title. Notwithstanding the provisions of section 13(a), a change or deviation in policy in respect of any class or series of preferred or special stock shall be authorized solely by the vote of the holders of a majority of the stock of each such class or series."

SEC. 22. Subsection (d) of section 20 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(d) If on the effective date of this title cross-ownership or circular ownership exists between a registered investment company and any other company or companies, it shall be the duty of such registered company, within five years after such effective date, to eliminate such cross-ownership or circular ownership. If at any time after the effective date of this title cross-ownership or circular ownership between a registered investment company and any other company or companies comes into existence upon the purchase by a registered investment company of the securities of another company or upon the purchase by a company controlled by the registered investment company of the securities of such registered company or another company, it shall be the duty to such registered company, within one year after it first knows of the existence of such cross-ownership or circular ownership, to eliminate the same."

SEC. 23. Subsection (b) of section 23 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(b) No registered closed-end company shall sell any common stock of which it is the issuer at a price below the current net asset value of such stock, exclusive of any distributing commission or discount (which net asset value shall be determined as of a time within forty-eight hours, excluding Sundays and holidays, next preceding the time of such determination), except (1) in connection with an offering to the holders of one or more classes of its capital stock; (2) with the consent of the holders of a majority of its common stock; (3) upon conversion of a convertible security in accordance with its terms; (4) upon the exercise of any warrant outstanding on the date of enactment of this Act or issued in accordance with the provisions of section 18(d); or (5) under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors."

SEC. 24. Subsection (b) of section 28 of the Investment Company Act of 1940, as amended, is amended to read as follows:

"(b)(1) It shall be unlawful for any registered face-amount certificate company to issue or sell any face-amount certificate, or to collect or accept any payment on any such certificate issued by such company on or after the effective date of this title, unless such company has, in cash or qualified investments, assets having a value not less than the aggregate amount of the capital stock requirement and certificate reserves as computed under the provisions of subsection (a) hereof. As used in this subsection, 'qualified investments' means investments of a kind which life insurance companies are permitted to invest in or hold under the provisions of the Code of the District of Columbia as heretofore or hereafter amended, and such other investments as the Commission shall by rule, regulation, or order authorize as qualified investments. Such investments shall be valued in accordance with the provisions of said code where such provisions are applicable. Investments to which such provisions do not apply shall be valued in accordance with such rules, regulations, or orders as the Commission shall prescribe for the protection of investors.

"(2) The assets which such company is required to have under paragraph (1) of this subsection in an amount equal to the certificate reserves required under subsection (a) hereof shall not include at any time:

"(A) preferred stocks, or similar senior securities which are stocks, in an amount more than 25 per centum of the certificate reserves; and

"(B) common stocks, or similar equity securities, in an amount more than the aggregate of

"(i) 10 per centum of the certificate reserves; plus

"(ii) an amount equal to 100 per centum of that portion of the stockholders' equity in the company which is represented by assets consisting of cash or qualified investments; plus

"(iii) an amount equal to 100 per centum of that portion of the stockholders' equity in the company which is represented by assets consisting of cash, or qualified investments other than common stocks or similar equity securities;

Provided, however, That where the company has outstanding separate series of certificates and the assets applicable to the reserve requirements of one or more of such series are maintained separately, then the limitations in (A) and (B)(i) above shall be computed separately on the basis of the required certificate reserves for the outstanding certificates in each series or group of series for which assets are maintained separately; and the permissible amounts computed pursuant to the limitations stated in (B)(ii) and (B)(iii) above shall be allocated in accordance with the company's discretion but in no event shall the aggregate amount of common stocks, or similar equity securities, exceed 30 per centum of the required assets for each series or group of series for which assets are maintained separately. There shall be no limitation as to the type of securities in which assets in an amount equal to the minimum capital stock requirement are invested, other than the requirement of paragraph (1) of this subsection as to qualified investments. As used in this subsection 'stockholders' equity' means the amount of the company's assets less the amount of the indebtedness of the company and its certificate and other reserves."

SEC. 25. Subsection (a) of section 43 of the Investment Company Act of 1940, as amended, is amended by striking out "sections 239 and 240 of the Judicial Code, as amended" and inserting in lieu thereof "section 1254 of title 28, United States Code."

SEC. 26. Section 44 of the Investment Company Act of 1940, as amended, is amended by striking out "sections 128 and 240 of the Judicial Code, as amended, and section 7, as amended, of the Act entitled 'An Act to establish a court of appeals for the District of Columbia', approved February 9, 1893", and inserting in lieu thereof "sections 1254, 1291, 1292, and 1293 of title 28, United States Code."

SEC. 27. This Act shall become effective upon its enactment: *Provided, however,* That, as to companies which were registered prior to that time, the effective date of the amendments to sections 5, 8(b)(2), and 18(f)(2) shall be six months thereafter. The provisions of section 28(b)(2) shall not apply to any series or group of series of face-amount certificates which were registered under the Securities Act of 1933 prior to the enactment of section 28(b)(2) in any case where the registered face-amount certificate company has outstanding separate series of face-amount certificates and the assets applicable to the reserve requirements of such series are maintained separately.

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 1, strike out line 3 and all that follows down through line 7 on page 2.

Page 2, line 8, strike out "SEC. 2. Paragraph (11) of" and insert "That".

Page 2, line 10, strike out "adding" and insert: "inserting immediately after paragraph (11) thereof".

Page 2, line 21, strike out "3" and insert "2".

Page 2, line 21, strike out "Paragraph (35) of subsection" and insert "Subsection (a)".

Page 2, line 23, strike out "adding" and insert "inserting immediately after paragraph (35) thereof".

Page 3, line 1, strike out "4" and insert "3".

Page 3, line 5, strike out "5" and insert "4".

Page 3, line 21, strike out "6" and insert "5".

Page 4, strike out lines 5 to 18, inclusive.

Page 4, line 19, strike out "8" and insert "6".

Page 5, line 1, strike out "9" and insert "7".

Page 5, line 7, strike out "10" and insert "8".

Page 5, line 21, strike out "11" and insert "9".

Page 5, line 23, strike out "'Alaska,' and".

Page 5, line 25, strike out "12" and insert "10".

Page 6, line 20, strike out "13" and insert "11".

Page 7, line 13, strike out "14" and insert "12".

Page 8, line 19, strike out "15" and insert "13".

Page 9, line 19, strike out "16" and insert "14".

Page 9, strike out line 22 and all that follows down through line 5 on page 10, and insert the following:

"(3) deviate from its policy in respect of concentration of investments in any particular industry or group of industries as recited in its registration statement, or deviate from any investment policy or any other fundamental policy recited in its registration statement pursuant to section 8(b)(2); or".

Page 10, line 6, strike out "17" and insert "15".

Page 10, line 9, strike out "(B))." and insert "(B)),."

Page 10, line 10, strike out "18" and insert "16".

Page 10, line 17, after "thereto;" insert "and".

Page 10, line 24, strike out "19" and insert "17".

Page 11, line 24, strike out "20" and insert "18".

Page 13, line 12, strike out "21" and insert "19".

Page 14, line 9, insert quotation marks after "series."

Page 14, line 10, strike out "22" and insert "20".

Page 15, line 4, strike out "23" and insert "21".

Page 15, line 23, strike out "24" and insert "22".

Page 18, line 12, strike out "25" and insert "23".

Page 18, line 16, strike out "Code." and insert "Code'."

Page 18, line 17, strike out "26" and insert "24".

Page 18, line 23, strike out "Code." and insert "Code'."

Page 18, line 24, strike out "27" and insert "25".

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

The Clerk read as follows:

Amendment offered by Mr. WALTER:

After line 20 insert the following new section and renumber sections 23, 24, and 25 as sections 24, 25, and 26, respectively:

"SEC. 23. Section 36 of the Investment Company Act of 1940, as amended, is amended to renumber section 36 as section 36(a) and to add the following new subsections as sections 36 (b), (c), and (d):

"'SEC. 36. (b) Whenever the board of directors of a registered investment company, or the investment adviser or principal underwriter for a registered investment company, so requests, any person who is or has been a director, officer, agent, or employee of said registered investment company or investment adviser shall file within 30 days after service of said request a written statement with the secretary for the board of directors making the request in which shall be set forth—

"'(1) the names, amounts, prices, and dates of acquisition, purchase, and sale of all securities and other investments directly and indirectly acquired or purchased by said director, officer, agent, and employee, including members of said person's family, and by any person controlled by said director, officer, agent, and employee, during the period of time said person was or has been a director, officer, agent, or employee;

"'(2) the dates of, and proceeds and consideration received from, the sale or other disposition of said securities and investments and, if not sold on a national securities exchange, the name and address of the person acquiring or purchasing the said securities and investments;

"'(3) a list of all loans and any other transaction and business deal by said director, officer, employee, and person with—

"'(a) each bank and broker that during said period has acted as a custodian, depository, bank, agent, or broker for said registered investment company; and

"'(b) any company in which said registered investment company owns or owned during said period any security.

Said statement and any supplement thereto filed within thirty days after said supplement has been requested shall include a statement of any material facts and a copy of any document, paper, and other writing respecting said loan, transaction, and deal that may be requested.

"'Said statement shall also have attached thereto an affidavit stating that it is a true and complete answer to the best of affiant's knowledge, information, and belief to the request in question.

"'(c) Whenever any director, officer, agent, or employee of a registered investment company has filed a statement pursuant to the above subsection, the board of directors of any registered investment company, or investment adviser, or principal underwriter for a registered invest-

possession relevant to the acts in question. Said bank, broker, agent, or other person shall comply with said request no later than thirty days after service upon it of said request in writing.

"'(d) Any court of competent jurisdiction in which is filed a complaint alleging a violation of any provision of this section or of sections 17, 21, 34, 37 or 48 of this title, or of sections 9, 10 or 16 of the Securities Exchange Act of 1934, or sections 10, 12 or 17 of the Securities Act of 1933, shall, if the facts alleged therein are shown to be supported by substantial evidence, preliminarily and permanently enjoin any director or officer or other person found to have violated any of the aforesaid provisions from serving as a director or officer or controlling person in his own right or in association with others of any registered investment company, investment adviser, or principal underwriter for a registered investment company, or of any company or other person controlling any registered investment company or any investment adviser or principal underwriter for a registered investment company and from performing any act, including voting for or electing any director or officer of such a company, in furtherance of the acquisition, exercise or maintenance of such control by any other person. Such court shall also, if requested, require said director or officer and any associated person to account to the registered investment company for all profits made by said director or officer, and for all losses incurred by said company resulting from any of the aforesaid acts.'"

Mr. WALTER (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

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

There was no objection.

Mr. WALTER. Mr. Speaker, this amendment is intended to give to the management of investment companies the power to put their own house in order. The amendment does this: It permits the directors of an investment company, after board action, to request any of the officers, directors, agents, or employees of the investment company to furnish the board of directors with a detailed account of their dealings.

There is provision for 30-day notice, and if there is failure to comply with this request, after the 30-day period, then the corporation is authorized to go into the appropriate court and seek an injunction restraining the member of the board or the officer of the corporation from continuing to function as a member of the board of directors or as an officer.

It certainly seems to me that the Securities and Exchange Commission ought not to oppose an amendment of this sort. Its sole purpose is to enable the board, which today is absolutely powerless to do anything about it, to compel people, if they believe those people are dealing improperly in securities, to make a full disclosure of what their financial transactions are; that is, any transactions which might be against the best interests of the company by which they are being employed.

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

Mr. WALTER. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman has been very kind to discuss his amendments with me. As the gentleman knows, I have expressed a great deal of sympathy; certainly I am solicitous with what he is trying to do.

The thing that causes me to hesitate at this particular time in agreeing to an amendment of this kind is that I, as chairman of the committee, happen to know that had the gentleman's amendment been debated in the committee we would not have been able to get this bill up by unanimous consent, because there was some opposition within the committee. To now agree to the gentleman's amendment at this point, knowing that kind of situation, seems to me to be not the way to handle the situation. I recognize that from the gentleman's standpoint it is important that he get what he would like to have adopted, but I feel that as chairman I owe an obligation to the members of the committee in bringing up legislation under unanimous consent not to agree to amendments such as the gentleman offers when I know there would have been objection to it by some members of the committee. Therefore, reluctant as I am, I have to oppose the amendment offered by the gentleman from Pennsylvania.

Mr. WALTER. I cannot understand why anybody would object to this amendment, particularly in view of the fact that the Securities and Exchange Commission has hinted that there are serious abuses of trust by investment company managers in the administration of these huge funds.

As the gentleman knows, members of the board of directors may be more aware of improper conduct of other members or officers than the Securities and Exchange Commission could be. These abuses of trust are not brought to the attention of the Securities and Exchange Commission. Under existing law the members of the board of directors are powerless to require a person whom they have any reason to believe is not conducting himself properly, to make a full disclosure of his financial transactions.

Mr. HARRIS. I well understand what the gentleman is saying is an actual fact. As I say, I have great sympathy for the amendment and very likely under normal conditions I would be in support of it. But the gentleman introduced this bill about a week ago?

Mr. WALTER. I introduced it at about the time the gentleman indicated he was going to take up bills of this sort.

Mr. HARRIS. That is the first time we have had it called to our attention. We have been unable to hold hearings and develop a record on it. If the House wants to adopt it today, of course, that is the prerogative of the House, but, under the circumstances, I am going to have to oppose the amendment. The gentleman understands the reason for it. If it is not adopted, I assure the gentleman if I have anything to do with it early in the next session it will be taken up, hearings will be given the gentleman immediately and consideration had.

Mr. WALTER. May I ask whether or not hearings have been held on the bills we have been passing here by unanimous consent?

Mr. HARRIS. Yes; substantial hearings, and over a period of 3 years in some cases.

Mr. WALTER. Certainly this subject matter has been discussed by the committee at great length. As a matter of fact, the very bill that we seek to amend has as its objective the elimination of the abuses which my amendment deals with adequately and which the gentleman's bill does not deal with adequately. With my amendment abuses can and will be uncovered and an honest management enabled to regulate their own affairs.

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

Mr. WALTER. I yield to the gentleman from Illinois.

Mr. MACK. May I say that I have viewed the gentleman's amendment with some favor. I would like to have had the bill introduced by the gentleman from Pennsylvania before my subcommittee when I was holding hearings on this subject. I think that is the proper way to consider the gentleman's proposal. The bill was not introduced until after my subcommittee had completed all of the public hearings, consideration had in executive session, and the bill reported to the full committee. It was not until the executive sessions that it was possible to have the benefit of the gentleman's views in the consideration of this proposal. Because of certain opposition that was raised at the time, we decided not to include it in the bill this year. I do think it is a matter that needs to be dealt with and I am hoping that the next Congress will give considerable study to this proposition.

Mr. HOFFMAN of Michigan. Mr. Speaker, do I understand there is objection?

Mr. WALTER. I have not heard any objection; no. It has been indicated perhaps the amendment was offered at the wrong time, but I have heard no objection.

Mr. HOFFMAN of Michigan. I have heard no objection.

Mr. HARRIS. I tried to explain a moment ago the reason I felt compelled to oppose the amendment as it is presented here today. Had the amendment been offered and adopted——

Mr. HOFFMAN of Michigan. I understand all that.

Mr. HARRIS. We would not have gotten it up for consideration.

Mr. HOFFMAN of Michigan. Is the gentleman objecting on his own account or on behalf of somebody else?

Mr. HARRIS. I am objecting because of the procedure involved.

Mr. HOFFMAN of Michigan. The gentleman cannot object on the part of somebody who is not here. If he wants to object on his own responsibility, all right.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 51, noes 8.

So the amendment was agreed to.

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

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3772) to amend certain provisions of the Investment Company Act of 1940, as amended.

The Clerk read the title of the bill.

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

There was no objection.

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

The Clerk read as follows:

Strike out all after the enacting clause and insert the provisions of H.R. 2481 as passed.

The amendment was agreed to.

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

The proceedings whereby a similar House bill (H.R. 2481) was passed were vacated and the House bill was laid on the table.

INVESTMENT ADVISERS ACT OF 1940, AS AMENDED

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2482) to amend certain provisions of the Investment Advisers Act of 1950, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended, is amended by striking out "Alaska," and "the Philippine Islands,".

SEC. 2. Clause (F) of paragraph (1) of section 203(c) of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(F) whether such investment adviser, any partner, officer, director, or person performing similar functions, or any person directly or indirectly controlling or controlled by such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (d), and"

SEC. 3. Subsection (d) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(d) The Commission shall, after appropriate notice and opportunity for hearing, by order deny registration or suspend for a period not exceeding twelve months or revoke the registration of an investment adviser, if it finds that such denial, suspension, or revocation is in the public interest and that (1) such investment adviser, whether prior or subsequent to becoming such, or (2) any partner, officer, or director (or any person performing similar functions), or any person directly or indirectly controlling or controlled by such investment adviser, whether prior or subsequent to becoming such (A) has willfully made or caused to be made in any application for registration or report filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or who has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of any felony or misdemeanor which the Commission finds (i) involves the purchase or sale of any security, (ii) arises out of the conduct of the business of a broker, dealer, or investment adviser, (iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code, as heretofore or hereafter amended; or (C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, or dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security; or (D) has willfully violated any provision of the Securities Act of 1933, or of the Securities Exchange Act of 1934, or of this title, as any of such statutes heretofore have been or hereafter may be amended, or of any rule or regulation under any of such statutes."

SEC. 4. Subsection (e) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(e) The commencement of a proceeding to deny registration under this section shall operate to postpone the effective date of registration for a period of ninety days, or until final determination whether such registration shall be denied if that determination is made within such ninety-day period; but if, after appropriate notice and opportunity for hearing, it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration beyond such ninety-day period and until final determination of whether such registration shall be denied, the Commission shall so order."

SEC. 5. Subsection (g) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(g) Any person registered under this section may, upon such terms and conditions as the Commission finds necessary in the public interest or for the protection of investors, withdraw from registration by filing

a written notice of withdrawal with the Commission. An application for registration under this section may be withdrawn only with the consent of the Commission if the request to withdraw such application is received by the Commission after it has commenced a proceeding to deny registration. If the Commission finds that any person registered under this section, or who has pending an application for registration filed under this section, is no longer in existence or is not engaged in business as an investment adviser, the Commission shall by order cancel the registration of such person."

SEC. 6. Section 204 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(h)), shall make, keep, and preserve for such periods, such accounts, correspondence, memorandums, papers, books, and other records, and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

SEC. 7. The introductory paragraph of section 205 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"SEC. 205. No investment adviser, unless exempt from registration pursuant to section 203(b), shall make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to enter into, extend, or renew any investment advisory contract, or in any way to perform any investment advisory contract entered into, extended, or renewed on or after the effective date of this title if such contract—".

SEC. 8. The introductory paragraph of section 206 of the Investment Advisers Act of 1940, as amended, is amended by striking out "registered under section 203".

SEC. 9. Section 206 of the Investment Advisers Act of 1940, as amended, is amended by adding the following new clause:

"(4) to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative. The Commission shall, for the purposes of this paragraph (4) by rules and regulations define, and prescribe means reasonably designed to prevent, such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative."

SEC. 10. The caption of section 208 of the Investment Advisers Act of 1940, as amended, is amended by striking out "UNLAWFUL REPRESENTATIONS" and inserting in lieu thereof "GENERAL PROHIBITIONS".

SEC. 11. Section 208 of the Investment Advisers Act of 1940, as amended, is amended by adding the following new subsection:

"(d) It shall be unlawful for any person indirectly, or through or by any other person, to do any act or thing which it would be unlawful for such person to do directly under the provisions of this title or any rule or regulation thereunder. It shall be unlawful for any person to aid, abet, counsel, command, induce, or procure the violation of any provision of this title or any rule or regulation thereunder by any other person. These provisions shall not constitute a limitation with respect to the applicability to this title of section 2 of title 18, United States Code."

SEC. 12. Subsection (e) of section 209 of the Investment Advisers Act of 1940, as amended, is amended by striking out "has engaged or is about to engage" in the first and in the second sentences and inserting in lieu thereof "has engaged, is engaged or is about to engage".

SEC. 13. Subsection (b) of section 210 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(b) Subject to the provisions of subsections (c) and (e), of section 209, the Commission, or any member, officer, or employee thereof, shall not make public the fact that any examination or investigation under this title is being conducted, or the results of or any facts ascertained during any such examination or investigation; and no member, officer, or employee of the Commission shall disclose to any person other than a member, officer, or employee of the Commission any information obtained as a result of any such examination or investigation except with the approval of the Commission. The provisions of this subsection shall not apply—

"(1) in the case of any hearing which is public under the provisions of section 212; or

"(2) in the case of a resolution or request from either House of Congress."

SEC. 14. Subsection (a) of section 211 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(a) The Commission shall have authority from time to time to make, issue, amend, and rescind such rules and regulations and such orders as are necessary or appropriate to the exercise of the functions and powers conferred upon the Commission elsewhere in this title. For the purpose of its rules or regulations the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters."

SEC. 15. Section 217 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"SEC. 217. Any person who willfully violates any provision of this title, or any rule, regulation, or order promulgated by the Commission under authority thereof, shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than two years, or both."

SEC. 16. The Investment Advisers Act of 1940, as amended, is amended by adding the following new section:

"STATE CONTROL OF INVESTMENT ADVISERS

"SEC. 222. Nothing in this title shall affect the jurisdiction of the securities commissioner (or any agency or officer performing like functions) of any State over any security or any person insofar as it does not conflict with the provisions of this title or the rules and regulations thereunder."

With the following committee amendments:

First page, line 3, strike out "Alaska,' ".

First page, strike out line 9 and all that follows down through line 5 on page 2, and insert the following:

"'(F) whether such investment adviser, any partner, officer, director, or person performing similar functions, or any person directly or indirectly controlling or controlled by such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (d), and'.

"SEC. 3. Paragraph (2) of subsection (c) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"'(2) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser consists or is to consist of rendering investment supervisory services.' "

Page 2, line 6, strike out "3" and insert "4".

Page 4, line 1, strike out "4" and insert "5".

Page 4, line 16, strike out "5" and insert "6".

Page 5, line 9, strike out "6" and insert "7".

Page 5, line 15, strike out "(h)" and insert "(b)".

Page 6, line 4, strike out "7" and insert "8".

Page 6, line 15, strike out "8" and insert "9".

Page 6, line 18, strike out "9" and insert "10".

Page 6, line 19, after "is amended" insert "(1) by striking out the semicolons at the end of clauses (1) and (2) and inserting periods in lieu thereof, and (2)".

Page 6, strike out line 21 and all that follows down through line 2 on page 7, and insert the following:

"(4) to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative. The Commission shall, for the purposes of this paragraph (4) by rules and regulations define, and prescribe means reasonably designed to prevent, such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative."

Page 7, line 3, strike out "10" and insert "11".

Page 7, after line 6, insert the following:

"SEC. 12. (a) Subsection (c) of section 208 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

" '(c) It shall be unlawful for any person registered under section 203 of this title to represent that he is an investment counsel or to use the name investment counsel as descriptive of his business unless (1) his or its principal business consists of acting as investment adviser, and (2) a substantial part of his or its business consists of rendering investment supervisory services.' "

Page 7, line 7, strike out "11" and insert "13".

Page 7, line 20, strike out "12" and insert "14".

Page 7, line 24, strike out "engaged or" and insert "engaged, or".

Page 8, line 1, strike out "13" and insert "15".

Page 8, line 5, strike out "(e), of" and insert "(e) of".

Page 8, line 18, insert ", or any committee thereof" after "Congress".

Page 8, line 19, strike out "14" and insert "16".

Page 9, line 5, strike out "15" and insert "17".

Page 9, lines 9 and 10, strike out ", upon conviction,".

Page 9, line 10, strike out the comma after "$10,000" and insert "or".

Page 9, line 12, strike out "16" and insert "18".

Mr. HARRIS. I direct the attention of the Members of the House to the purpose of the bill, H.R. 2482, as set forth in the report:

PURPOSE OF THE BILL

The bill, H.R. 2482, here being reported amends the Investment Advisers Act of 1940 for the purpose of making the enforcement activities of the Securities and Exchange Commission more effective, by giving the Commission additional authority, and by providing additional remedies and eliminating or minimizing various problems which have come to light in the course of the Commission's enforcement of the act. The more significant of these proposals would, in brief: (1) expand the basis for disqualification of an applicant for

registration or a registrant because of misconduct; (2) revise the provisions relating to the postponement of effectiveness and the withdrawal of applications for registration; (3) authorize the Commission by rule to require the keeping of books and records and the filing of reports; (4) permit periodic examinations of a registrant's books and records; (5) empower the Commission by rule to define and prescribe means reasonably designed to prevent fraudulent practices; and (6) extend criminal liability to include a willful violation of a rule or order of the Commission.

The committee amendments were agreed to.

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

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks just prior to the adoption of the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

INVESTMENT ADVISERS ACT OF 1940, AS AMENDED

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3773) to amend certain provisions of the Investment Advisers Act of 1940, as amended, and substitute it for the bill just passed, H.R. 2482.

The clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

The was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph 12 of subsection (a) of section 202 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(12) 'Investment company', affiliated person, and 'insurance company' have the same meanings as in the Investment Company Act of 1940. 'Control' means the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company."

(b) Paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended, is amended by striking out "the Philippine Islands,".

SEC. 2. Clause (F) of paragraph (1) of section 203(c) of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(F) whether such investment adviser, or any partner, officer, director thereof, or any person performing similar functions, or any person directly or indirectly controlling or controlled by such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (d), and".

SEC. 3. (a) Paragraph (2) of subsection (c) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(2) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser consists or is to consist of rendering investment supervisory services."

(b) Subsection (d) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(d) The Commission shall, after appropriate notice and opportunity for hearing, by order deny registration to, or suspend for a period not exceeding twelve months or revoke the registration of, an investment adviser, if it finds that such denial, suspension, or revocation is in the public interest and that (1) such investment adviser, whether prior or subsequent to becoming such, or (2) any partner, officer, or director thereof, or any person performing similar functions, or (3) any person directly or indirectly controlling or controlled by such investment adviser, whether prior or subsequent to becoming such, (A) has willfully made or caused to be made in any application for registration or report filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or who has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of any felony or misdemeanor which the Commission finds (i) involves the purchase or sale of any security, (ii) arises out of the conduct of the business of a broker, dealer, or investment adviser, (iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code, as heretofore or hereafter amended; or (C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, or dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security; or (D) has willfully violated any provision of the Securities Act of 1933, or of the Securities Exchange Act of 1934, or of this title, as any of such statutes heretofore have been or hereafter may be amended, or of any rule or regulation under and of such statutes; or (E) has aided, abetted, counseled, commanded, induced, or procured the violation by any other person of the Securities Act of 1933, or the Securities Exchange Act of 1934, or of this title, as any of such statutes heretofore have been or hereafter may be amended, or of any rule or regulation under any of such statutes."

SEC. 4. Subsection (e) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(e) The commencement of a proceeding to deny registration under this section shall operate to postpone the effective date of registration for a period of ninety days, or until final determination whether such registration shall be denied if that determination is made within such ninety-day period; but if, after appropriate notice and opportunity for hearing, it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration beyond such ninety-day period and until final determination of whether such registration shall be denied, the Commission shall so order. Upon request of any interested party, made more than ninety days after the effective date of such order, the Commission shall consider whether such postponement should continue, and shall take such action, if any, with respect thereto as in its discretion is necessary or appropriate in the public interest or for the protection of investors."

SEC. 5. Subsection (g) of section 203 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(g) Any person registered under this section may, upon such terms and conditions as the Commission finds necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any person registered under this section, or who has pending an application for registration filed under this section, is no longer in existence or is not engaged in business as an investment adviser, the Commission shall by order cancel the registration of such person."

SEC. 6. Section 204 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b)), shall make, keep, and preserve for such periods, such accounts, correspondence, memorandums, papers, books, and other records, and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

SEC. 7. The introductory paragraph of section 205 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"SEC. 205. No investment adviser, unless exempt from registration pursuant to section 203(b), shall make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to enter into, extend, or renew any investment advisory contract, or in any way to perform any investment advisory contract entered into, extended, or renewed on or after the effective date of this title, if such contract—".

SEC. 8. The introductory paragraph of section 206 of the Investment Advisers Act of 1940, as amended, is amended by striking out "registered under section 203".

SEC. 9. Section 206 of the Investment Advisers Act of 1940, as amended, is amended by changing the period at the end thereof to a semicolon and by adding the following new paragraph:

"(4) to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative. The Commission shall, for the purposes of this paragraph (4) by rules and regulations define, and prescribe means reasonably designed to prevent, such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative."

SEC. 10. The caption of section 208 of the Investment Advisers Act of 1940, as amended, is amended by striking out "UNLAWFUL REPRESENTATIONS" and inserting in lieu thereof "GENERAL PROHIBITIONS".

SEC. 11. (a) Subsection (c) of section 208 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(c) It shall be unlawful for any person registered under section 203 of this title to represent that he is an investment counsel or to use the name 'investment counsel' as descriptive of his business unless (1) his or its principal business consists of acting as

investment adviser, and (2) a substantial part of his or its business consists of rendering investment supervisory services."

(b) Section 208 of the Investment Advisers Act of 1940, as amended, is amended by adding the following new subsection:

"(d) It shall be unlawful for any person indirectly, or through or by any other person, to do any act or thing which it would be unlawful for such person to do directly under the provisions of this title or any rule or regulation thereunder."

SEC. 12. Subsection (e) of section 209 of the Investment Advisers Act of 1940, as amended, is amended by striking out "has engaged or is about to engage" in the first and in the second sentences and inserting in lieu thereof "has engaged, is engaged, or is about to engage"; by inserting in the first sentence after "any rule, regulation, or order hereunder," the first time that phrase appears, the following: "or that any person has aided, abetted, counseled, commanded, induced, or procured, is aiding, abetting, counseling, commanding, inducing, or procuring, or is about to aid, abet, counsel, command, induce, or procure such a violation,"; and by inserting in the second sentence, after "such act or practice,", the following: "or in aiding, abetting, counseling, commanding, inducing, or procuring any such act or practice,".

SEC. 13. Subsection (b) of section 210 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(b) Subject to the provisions of subsections (c) and (e) of section 209, the Commission, or any member, officer, or employee thereof, shall not make public the fact that any examination or investigation under this title is being conducted, or the results of or any facts ascertained during any such examination or investigation; and no member, officer, or employee of the Commission shall disclose to any person other than a member, officer, or employee of the Commission any information obtained as a result of any such examination or investigation except with the approval of the Commission. The provisions of this subsection shall not apply—

"(1) in the case of any hearing which is public under the provisions of section 212; or

"(2) in the case of a resolution or request from either House of Congress."

SEC. 14. Subsection (a) of section 211 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"(a) The Commission shall have authority from time to time to make, issue, amend, and rescind such rules and regulations and such orders as are necessary or appropriate to the exercise of the functions and powers conferred upon the Commission elsewhere in this title. For the purposes of its rules or regulations the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters."

SEC. 15. Section 217 of the Investment Advisers Act of 1940, as amended, is amended to read as follows:

"SEC. 217. Any person who willfully violates any provision of this title, or any rule, regulation, or order promulgated by the Commission under authority thereof, shall, upon conviction, be fined not more than $10,000, imprisoned for not more than two years, or both."

SEC. 16. The Investment Advisers Act of 1940, as amended, is amended by adding the following new section:

"STATE CONTROL OF INVESTMENT ADVISERS

"SEC. 222. Nothing in this title shall affect the jurisdiction of the securities commissioner (or any agency or officer performing like functions) of any State over any security or any person insofar as it does not conflict with the provisions of this title or the rules and regulations thereunder."

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

The proceedings whereby a similar House bill (H.R. 2482) was passed were vacated and the House bill was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate agrees 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. 10087) entitled "An act to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit."

The message also announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2074. An act for the relief of Eric and Ida Mae Hjerpe;

H.R. 4428. An act for the relief of the legal guardian of John David Almeida, a minor;

H.R. 7618. An act for the relief of H. P. Lambert Co., Inc., and Southeastern Drilling Corp.; and

H.R. 7877. An act for the relief of Vladislav Fotich.

ELECTRON MICROSCOPE.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11573) to provide for the free entry of an electron microscope for the use of William Marsh Rice University, of Houston, Tex., and an electron microscope for the use of the University of Colorado Medical Center, Denver, Colo., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

After line 7, insert:

"SEC. 2. The Secretary of the Treasury is authorized and directed to admit free of duty grain milling equipment and appurtenances imported for the use of Kansas State University, Manhattan, Kansas, in the building now under construction for the department of flour and feed milling industries at such university.

"SEC. 3. Section 809(g) of the National Housing Act is amended to read as follows:

"'(g)(1) A mortgage secured by property which is intended to provide housing for a person (i) employed or assigned to duty at a research or development installation of the National Aeronautics and Space Administration and which is located at or near such installation, where such installation was a research or development installation of one of the military departments of the United States (on or after June 13, 1956) before its transfer to the jurisdiction of such Administration, or (ii) employed at the research and development installation of the Atomic Energy Commission in Los Alamos County, New Mexico, and which is located at or near such installation, may (if the mortgage otherwise meets the requirements of this section) be insured by the Commissioner under the provisions of this section. The Administrator of the National Aeronautics and Space Administration (or his designee), in the case of any mortgage secured by property intended to provide housing for any person employed or assigned to duty at any such installation of the National Aeronautics and Space Administration, or the Chairman of the Atomic Energy Commission (or his designee), in the case of any mortgage secured by property intended to provide housing for any person employed at such installation of the Atomic Energy Commission, is authorized to guarantee and indemnify the Armed Services Housing Mortgage Insurance Fund against loss to the extent required by the Commissioner, in accordance with the provisions of subsection (b) of this section.

"'(2) For purposes of this subsection—

"'(i) The terms "Armed Forces", "one of the military departments of the United States," "military department", "Secretary or his designee", and "Secretary", when used in subsections (a) and (b) of this section, shall be deemed to refer to the National Aeronautics and Space Administration (or the Administrator thereof), or the Atomic Energy Commission (or the Chairman thereof), as may be appropriate;

"'(ii) The term "Secretary of the Army, Navy, or Air Force", when used in section 805, shall be deemed to refer to the National Aeronautics and Space Administration or the Administrator thereof, as may be appropriate;

"'(iii) The terms "civilian employee", "civilians", and "civilian personnel", as used in this section, shall be deemed to refer to (A) employees of such Administration or a contractor thereof or to military personnel assigned to duty at an installation of such Administration, or (B) persons employed in connection with the Atomic Energy Commission's installation at Los Alamos, New Mexico, as the case may be; and

"'(iv) The term "military installation" when used in section 805 shall be deemed to refer to an installation of the National Aeronautics and Space Administration.'"

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. AVERY. Mr. Speaker, reserving the right to object, and I shall not object, of course, I make this reservation in order that I might inquire of the gentleman from Arkansas if the Senate amendment is what we might refer to as the Carlson amendment that extends a comparable privilege to Kansas State University as provided in the bill for institutions of higher learning in Texas.

Mr. MILLS. That is correct, with respect to one of the Senate amendments. There were two Senate amendments, and if the gentleman will reserve his right to object and if he wants me to, I will explain briefly the two amendments.

Mr. AVERY. Mr. Speaker, I further reserve the right to object, in order that the gentleman from Arkansas, Mr. MILLS, may explain both these amendments. I yield to the gentleman from Arkansas.

Mr. MILLS. The gentleman is correct in his observation with respect to the first amendment. The gentleman from Kansas [Mr. AVERY] had introduced a bill, H.R. 12103, which was referred to the Committee on Ways and Means, on which the committee received favorable reports from the Department of Commerce, the Department of Labor, the Department of State, as well as an informative report from the Tariff Commission, having to do with the free importation of

certain equipment desired by Kansas State University in connection with the construction of a mill, of a type not produced in the United States, to replace one that had been burned some years ago. That is the amendment the gentleman introduced.

There is a second amendment having to do with housing for a research and development installation of the Atomic Energy Commission, to accommodate some people who have been transferred to that facility from the Huntsville, Ala., facility. I have taken occasion to discuss this amendment with members of the Committee on Banking and Currency and those with whom I have discussed it all agreed to it, including the gentleman from California [Mr. McDONOUGH]; the gentleman from Kentucky [Mr. SPENCE]; and the gentleman from Alabama [Mr. RAINS].

Mr. AVERY. Mr. Speaker, in view of the explanation of the gentleman from Arkansas, I withdraw my reservation of objection.

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

Mr. MILLS. I yield to the gentleman.

Mr. BAILEY. Does this proposed legislation involve the setting aside of import duties?

Mr. MILLS. Only with respect to certain articles that are being brought into the United States by Kansas State University in connection with the construction of a type of milling operation that they have, and which is not commercially produced domestically. It consists of the importation of articles, according to the report of the Senate Finance Committee, that are not competitive here in the United States.

Mr. BAILEY. Does the gentleman mean that the article is not produced in the United States?

Mr. MILLS. Not commercially produced; that is the information given us.

Mr. BAILEY. Over the past week I have patiently waited and have seen these standing committees clear all of their legislation that has accumulated throughout the year, including the gentleman's own committee, the Committee on Interstate and Foreign Commerce and the Committee on Agriculture. Yet most of the major legislation that I am interested in is resting quietly in the Committee on Rules. For some reason or other I have not been able to get consideration of them, without someone wanting to object. I have no intention of objecting to this particular piece of legislation but I hope the gentleman does not have any more to offer that has to do with bringing articles in on the free list.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, as Members of the House will recall in the form in which H.R. 11573 passed the House of Representatives, its purpose was to permit the duty-free entry of an electron microscope for the use of William Marsh Rice University of Houston, Tex., and an electron microscope for the use of the University of Colorado Medical Center, Denver, Colo. It may be recalled that these universities had procured from abroad these highly specialized microscopes for use in connection with their highly technical research and educational activities.

The Senate added two amendments to the House bill, as follows:

First, a Senate Finance Committee amendment would authorize the Secretary of the Treasury to admit free of duty grain milling equipment and appurtenances imported for the use of Kansas State University in the building being constructed for the department of flour and feed milling industries at that university. As was the case with respect to the highly specialized electron microscopes covered under the House bill, it was felt that the burden of duty should not be added to the cost of the equipment in this instance. According to the report of the Senate Finance Committee, several foreign countries are supplying the various technical parts for the grain mill and a considerable portion is being donated free of charge thus making it possible for the university to embark on a research and educational program for the improvement of the milling industry.

I should point out that there was pending before the Committee on Ways and Means a bill on this subject by our colleague, the Honorable WILLIAM AVERY. The Committee on Ways and Means has received favorable reports on this House bill, H.R. 12103, from the Department of Commerce, the Department of Labor, and the Department of State, as well as an informative report from the U.S. Tariff Commission. It is pointed out in the report of the Department of Labor that the experimental flour mill at the Kansas State University was destroyed by fire several years ago and that the replacement contemplated by the university would be a mill of a type not produced commercially in the United States.

The second amendment added by the Senate was a floor amendment sponsored by Senator ANDERSON, which amends section 809(g) of the National Housing Act. As explained by the sponsor, the amendment is designed to afford housing at the research and development installation of the Atomic Energy Commission in Los Alamos County, N. Mex. It was stated that when the Huntsville, Ala., station was transferred to Los Alamos it was found that employees could not provide their own housing and that a survey and report indicated that additional housing should be provided in the same fashion that housing was provided in Huntsville, Ala.

Mr. Speaker, I recognize that it is unusual for an amendment to the National Housing Act to be added as an amendment to a tariff bill, since the tariff bill is of course within the jurisdiction of the Ways and Means Committee and the National Housing Act, of course, is within the jurisdiction of the Committee on Banking and Currency. I therefore took occasion to confer with the chairman and certain members of the Banking and Currency Committee of the House to insure that they would have no objection to handling this amendment in this manner.

Senator ANDERSON stated on the floor of the Senate that he had cleared the matter with the Senate Banking and Currency Committee before he offered the amendment.

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MASON. Mr. Speaker, I have concurred in the request of the chairman of the Committee on Ways and Means that the House accept the Senate amendments to H.R. 11573.

It will be recalled that this legislation as it passed the House provided for the importation of highly specialized electron microscope equipment by two U.S. universities.

The Senate in approving this legislation added two amendments. The first of these amendments provides for the duty-free importation of certain equipment by Kansas State University for a pilot-plant grain and flour milling installation. The second Senate amendment is to the National Housing Act and affects the development for housing for certain employees at Los Alamos.

Mr. Speaker, both of these amendments are meritorious and it is appropriate that they should be approved by the House.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JURISDICTION OF U.S. DISTRICT COURTS IN CERTAIN ACTIONS

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12622) to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 85 of title 28 of the United States Code is amended—

(a) By adding at the end thereof the following new section:

"§ 1361. ACTION TO COMPEL AN OFFICER OF THE UNITED STATES TO PERFORM HIS DUTY.

"The district courts shall have original jurisdiction of any action to compel an officer or employee of the United States or any agency thereof to perform his duty."

(b) By adding at the end of the table of sections for chapter 85 of title 28 of the United States Code the following:

"1361. Action to compel an officer of the United States to perform his duty."

SEC. 2. Section 1391 of title 28 of the United States Code is amended by adding at the end thereof the following new subsection:

"(e) A civil action in which each defendant is an officer or employee of the United States or any agency thereof acting in his official capacity or under color of legal authority, or an agency of the United States, may be brought in any judicial district where a plaintiff in the action resides, or in which the cause of the action arose, or in which any property involved in the action is situated.

"The summons and complaint in such an action shall be served as provided by the Federal Rules of Civil Procedure except that the delivery of the summons and complaint to the officer or agency as required by the rules may be made by certified mail beyond the territorial limits of the district in which the action is brought."

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

House Resolution 584 was laid on the table.

PROTECT FARM AND RANCH OPERATORS MAKING CERTAIN LAND USE CHANGES

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3533) to protect farm and ranch operators making certain land use changes under the Great Plains conservation program against loss of acreage allotments.

The Clerk read the title of the bill.

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

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike out all after the enacting clause and insert the provisions of H.R. 12849, as follows: "That section 16 of the Soil Conservation and Domestic Allotment Act of 1938, as amended, is amended as follows:

"(1) Paragraph (3) of subsection (b) is amended to read as follows:

"'(3) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract heretofore or hereafter entered into under this subsection by reason of any action taken for the purpose of carrying out such contract and, under regulations of the Secretary, shall not be decreased, for such period after the expiration of the contract as is equal to the period of the contract, by reason of the maintenance of any change in land use from cultivated cropland to permanent vegetation carried out under the contract;'.

"(2) Paragraph (4) of subsection (b) is amended to read as follows:

"'(4) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out any contract heretofore or hereafter entered into under the program or in order to maintain, for such period after the expiration of the contract as is equal to the period of the contract, any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.'

"SEC. 2. Section 112 of the Soil Bank Act, as amended, is amended as follows:

"(1) Paragraph (1) is amended to read as follows:

"'(1) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract heretofore or hereafter entered into under this subtitle by reason of any action taken for the purpose of carrying out such contract and, under regulations of the Secretary, shall not be decreased, for such period after the expiration of the contract as is equal to the period of the contract, by reason of the maintenance of any change in land use from cultivated cropland to permanent vegetation carried out under the contract;'.

"(2) Paragraph (2) is amended to read as follows:

"'(2) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out any contract heretofore or hereafter entered into under this subtitle or in order to maintain, for such period after the expiration of the contract as is equal to the period of the contract, any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.'"

The amendment was agreed to.

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

EMERGENCY CONSERVATION MEASURES

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2761) to validate payments made for certain emergency conservation measures under the program authorized by the Third Supplemental Appropriation Act, 1957.

The Clerk read the title of the bill.

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

Mr. McINTIRE. Reserving the right to object, Mr. Speaker, may I say that this is a bill passed by the other body, and reported out unanimously by the House Committee on Agriculture.

I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That payments which have heretofore been made under the program authorized by the Third Supplemental Appropriation Act, 1957, under the item entitled "Emergency Conservation Measures, Agricultural Conservation Program Service", for emergency conservation measures carried out between January 1, 1956, and June 21, 1957, shall, if otherwise proper, not be considered invalid by reason of the fact that they were made for measures carried out prior to the enactment of said Act.

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

SUBCOMMITTEE NO. 3, HOUSE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD and include a progress report made by Subcommittee No. 3 of the House Committee on the District of Columbia on the bill (S. 1456) to provide for the appointment of two additional judges for the juvenile court of the District of Columbia, and also to include the letter of transmittal accompanying it.

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

There was no objection.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 30, 1960.

Hon. JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: I submit to you herewith a progress report of Subcommittee No. 3 on Senate bill, S. 1456.

The subcommittee is planning to meet during the congressional recess for further consideration of this legislation and the information we have gathered.

Sincerely yours,

JAMES C. DAVIS,
Chairman.

PROGRESS REPORT OF SUBCOMMITTEE NO. 3 OF THE HOUSE COMMITTEE ON THE DISTRICT OF COLUMBIA ON S. 1456—A BILL TO PROVIDE THE APPOINTMENT OF TWO ADDITIONAL JUDGES FOR THE JUVENILE COURT OF THE DISTRICT OF COLUMBIA—AUGUST 28, 1960

During the 85th Congress H.R. 7785 was introduced providing for the appointment of one additional judge to the juvenile court of the District of Columbia. This bill was approved by the House Committee on the District of Columbia, passed by the House of Representatives, and was amended and passed by the Senate. The bill did not emerge from conference committee in time for final passage before adjournment of the 85th Congress.

Following the opening of the 86th Congress, S. 465, calling for the appointment of an additional judge to the juvenile court was introduced in the Senate. The Senate Committee on the District of Columbia held hearings on the bill in February 1959. Later, the committee favorably reported S. 1456 calling for the appointment of two additional judges of the juvenile court of the District of Columbia. The bill was thereafter passed by the Senate.

In July 1959, this subcommittee of the House Committee on the District of Columbia held hearings on S. 1456. Hearings for 2 additional days were held in December

1959. Evidence was received showing that the one-judge court had disposed of cases more rapidly than the rate of new cases filed and had reduced the court backlog by about 10 percent during fiscal year 1959. This fact, along with other information developed during the hearings, dictated the need for further study before any decision was reached on the two-judge bill. Committee staff was directed to develop more fully information on the past history of operation of the court, its caseload and organization, coupled with statistical data on at least part of the court's operation for fiscal year 1960.

Preliminary figures for fiscal year 1960 indicated a reversal in the trends shown by the court in 1959. With the very recent availability of final statistical information for fiscal year 1960, the subcommittee now has before it sufficient data, testimony, and evidence of record on which to reasonably gage the problems of the juvenile court, its needs, and what legislation may be necessary to assure an adequate, efficient, and effective juvenile court in the District of Columbia.

PART I—TESTIMONY AND STATISTICAL RECORDS

Extensive testimony on the operation and needs of the juvenile court of the District of Columbia is a matter of record, in hearings before the House Committee on the District of Columbia, the Senate Committee on the District of Columbia, the House and Senate Committees on Appropriations, and the Senate Judiciary Subcommittee on Juvenile Delinquency, in addition to statistical reports. Many prominent persons from District of Columbia courts, law enforcement agencies, and community organizations testified regarding S. 1456. Most witnesses expressed their sincere belief that the enactment of S. 1456 was the principal need of the juvenile court. Some witnesses urged other amendments to the Juvenile Court Act of the District of Columbia.

Testimony of record before this subcommittee and the Senate Committee on the District of Columbia indicates that the support for the appointment of two additional judges was premised mostly on the following: (1) The great volume of hearings in the juvenile court; (2) the heavy backlog of cases pending in the court; and (3) population comparison studies with other cities relating the number of sitting juvenile court judges in those cities to the population.

1. Volume of juvenile court hearings: Witnesses testifying before the Senate Committee on the District of Columbia in February 1959 on S. 465 expressed the view that the volume of court hearings alone was persuasive that two additional judges were needed and that "the single statistic of some 13,000 hearings" was sufficient to prove the point.[1]

In July 1959, following the passage of S. 1456 by the Senate, this subcommittee of the House Committee on the District of Columbia held public hearings on the two-judge proposal. Again principal witnesses referred to the number of hearings as being a most significant factor in support of the bill. However, the number of hearings was then placed at 10,000 for the previous year.[2]

In December 1959, for the 2 days of committee hearings, there was available to the subcommittee the first annual statistical report of the juvenile court which had been issued in October for the fiscal year 1959. Table 21 of this document reported that the total of all court hearings on juvenile and adult cases for the year was 5,192. Included in this figure were 149 court trials and 32 jury trials.

Thus within a period of about 10 months the reported hearing load of the court, as represented to congressional committees dropped successively from 13,000 to 10,000 to less than 5,200. This indicated the need for further study of the operation of the court.

2. Backlog of cases: Prior to the change in the judgeship in the juvenile court of the District of Columbia in May 1957, there had been no backlog of cases for several years, either as to juvenile or adult matters. During those years, when the court kept its docket free of any backlog, there was an average of 450 more cases filed with the court per year than during the fiscal years beginning in 1958. The court kept its caseload current.

No tabulation of the juvenile court backlog, which began accumulating in fiscal year 1958, is available prior to September 1, 1958, shortly after the end of the fiscal year. At that date, the backlog was 270 juvenile cases and 552 adult cases for a total of 822 cases.[3]

During fiscal year 1959, the juvenile court reduced its backlog by about 10 percent and ended the year with a backlog of 235 juvenile and 510 adult cases for a total of 745 cases.[4] During fiscal year 1960 the number of juvenile and adult cases filed with the court increased by 337 but the backlog rose to a total of 1,667.[5] The increase in the court's backlog exceeded the increase in cases filed by 585.

The relation between the backlog of cases in the juvenile court and the need for additional judges must be weighed in the light of the following: (1) That for fiscal years prior to and including 1957, with a substantially greater number of cases, the court had no backlog accumulation; (2) that during fiscal year 1958, with 500 fewer cases filed than for the average of the preceding fiscal years, the court suddenly accumulated a backlog of 822 cases; (3) that with 3 percent fewer cases filed in fiscal year 1959 than in 1958, the court reduced its backlog by about 10 percent; (4) that during fiscal year 1960 with an increase of approximately 350 in the number of cases filed, the backlog increased by more than 900 cases for a total of 1667.

3. Comparison of the District of Columbia with other juvenile court jurisdictions: Determining the need of judges in the juvenile court of the District of Columbia by comparing juvenile courts in other cities, brings into consideration many factors which cannot be accurately weighed for such purposes. The jurisdiction of courts in other cities may be broader or narrower; the age limit may be lower; in some cities juvenile problems are handled by family courts with similar or broader jurisdiction than that of the juvenile court in the District; in some cities, all juvenile complaints are transmitted directly to the juvenile court while in others, of which Washington is one, juvenile complaints are screened by a juvenile division of the police department and only those cases involving other than minor offenses or second time offenders are transmitted to the juvenile court; also, the number of offenders per thousand population may vary considerably in different cities.

In hearings before various committees of Congress, testimony is on record comparing the population of the District of Columbia with that of other cities and relating the population comparison factor to the number of judges in the particular cities to establish the basis for additional judges in the juvenile court of the District of Columbia.[6] Studies made by the subcommittee staff indicated that if a three-judge court proposed by S. 1456 were established in the District of Columbia, and the same formula applied to the other cities, it would be necessary to appoint additional judges in the cities used for comparison if they were to conform to the population-judge ratio proposed for the District in S. 1456. To illustrate, the juvenile court in Cleveland, Ohio, serves the metropolitan area within Cuyahoga County.[7] Placing the population of the District at 800,000 (the 1960 census shows substantially less) and applying the three-judge formula of S. 1456, the Cleveland court should have six judges since it has twice the population to serve. Cleveland has three judges, the third being appointed just about 2 years ago.

PART II—AUTONOMY AND MANAGEMENT OF THE COURT

Under the Juvenile Court Act of the District of Columbia, the juvenile court is autonomous. It operates solely under the authority of the sitting judge and there is no supervision of its functions or management by any other judicial official or administrative official in the District of Columbia.

Under these circumstances, the effective and efficient operation of the juvenile court calls for the application of multiple skills. In addition to an understanding of the responsibilities and duties placed upon the court by the Juvenile Court Act, an understanding of juvenile court law and procedures, and the exercise of judicial capability, the judge of this court must likewise have the capacity to cooperate closely with agencies whose functions may be related to the court, and the capacity for supervising and managing a considerable staff of employees.

The closest relationship the juvenile court has with any other body in the District of Columbia is with the municipal court of the District by reason of provisions of law calling for the assignment of judges from the municipal court bench to the juvenile court in the absence of the judge or the event a vacancy exists in the juvenile court.

Early in fiscal year 1958, management studies were started looking forward to the reorganization of the juvenile court.[8] The management office of the District of Columbia assisted the court in this work. Visits were made to juvenile courts in other cities to study their operations and discover methods which might be advantageously used. As a result of these management studies, the court procedures were streamlined. Duplicate operations eliminated where possible, recordkeeping mechanized and simplified, and other changes made to relieve the judge of burdens and to facilitate the smooth functioning of the court at staff levels. The court was given an administrative division, not found in the organizational structures of other courts in the District.

Appropriations were increased in excess of $250,000 between fiscal year 1957 and the

[1] Hearings—Senate Committee on District of Columbia Feb. 11, 1959, transcript pp. 58, 61 (statement), 65 (statement), 167, 176.

[2] Hearings—House Committee on the District of Columbia, July 23, 1959, p. 15; p. 6.

[3] Hearings—House Committee on District of Columbia, Dec. 11, 1959, p. 121; hearings, Senate Committee on the District of Columbia, Feb. 4, 1959, p. 121.

[4] Hearings—House Committee on the District of Columbia, Dec. 11, 1959, p. 120; Statistical Report of Juvenile Court, 1st quarter fiscal year 1960, table 9.

[5] Statistical Report of Juvenile Court, 4th quarter 1960, table 9.

[6] Hearings—House Committee on the District of Columbia, July 23, 1959, p. 18; hearings—House Committee on Appropriations, 1961, p. 416 (District of Columbia Appropriations—1961); hearing—Senate Committee on the District of Columbia, Feb. 4, 1959, pp. 44, 46, 65 (statement).

[7] Population comparisons in this instance used as a population figure of about 900,000 correct for metropolitan Cleveland. However, the Cleveland court serves the entire population of Cuyahoga County which is approximately 1,600,000. Hearings—House Committee on the District of Columbia, July 23, 1959, p. 19.

[8] Hearings—House Committee on Appropriations, District of Columbia Appropriations, 1961, pp. 408–419.

current fiscal year and 22 new positions were authorized. Despite these facts, and with a decrease in the average number of cases filed, the court backlog rose from zero at the beginning of fiscal year 1958 to 1,667 at the end of fiscal year 1960.

The Juvenile Court Act of the District of Columbia gives to the juvenile court the exclusive jurisdiction in determining the paternity of illegitimate children and concurrent jurisdiction with the U.S. district court in criminal nonsupport cases.[9] The handling of these adult cases, is not only directly related to the well-being of those for whom support is ordered by the court but also to the financial burdens of the Department of Public Welfare. The statutory function of the court is to determine legal obligation and necessity of the support and to enforce its judgments.

In connection with criminal nonsupport cases, the court at one time discontinued scheduling such cases for court action. The court has indicated that such cases are given lowest priority rating of all matters within its jurisdiction.[10]

Collections in adult cases involving support matters increased steadily through the end of fiscal year 1957, when court collections totaled $945,677. Beginning in fiscal 1958, and even with the reorganization of the court, collections declined each year to a point approaching $450,000 less than the amount collected in fiscal year 1957.

In connection with the justification of requests for appropriations for the court for fiscal year 1959 to provide additional positions, it was stated that certain additional employees might increase the court's collections by about $200,000 per year.[11] The new positions were authorized and within a few months thereafter the intake section handling support cases was abolished, the employees transferred, and the workload shifted to the Office of the Corporation Counsel who was compelled to request additional employees to assume the additional work. Collections thereafter continued to decline.

At Appropriations Committee hearings the following year, explanation of this action was requested.[12] Discussion was had concerning the transfer of adult cases from the juvenile court, and testimony was taken concerning the effect of court's action on the operations of the Office of the Corporation Counsel and the Department of Public Welfare. The court there and elsewhere expressed its "chafing" under the adult problem imposed by the Juvenile Court Act.[13]

The following tables present in summary form, the essence of statistical figures concerning the operation of the juvenile court in the years preceding and including fiscal year 1957, and the 3 succeeding fiscal years to the present. Table 1 deals with appropriations, personnel, caseload, backlog, and court collections. Table 2 relates the appropriations or cost of operation of the court to the amount of the court collections on a per case filed basis. The figures used are extracted from hearings before Committees on Appropriations of the House and Senate, hearings before the House Committee on the District of Columbia, and from the statistical reports of the juvenile court for fiscal 1959 and the quarterly reports for fiscal 1960, by quarter or cumulatively for the year.

CHART I

Statistics relating to cost of operation, cases filed, case backlog, and collections, District of Columbia juvenile court

Fiscal year	Appropriation	Number of authorized positions	Number of cases filed			Backlog of cases			Collections
			Juvenile	Adult	Total	Juvenile	Adult	Total	
1954	$327,000	72	2,057	1,407	3,464				
1955	347,000	74	1,757	1,516	3,273				
1956	407,000	80	1,877	1,797	3,674				$785,000
1957	428,000	81	1,846	1,578	3,424				945,677
(Present judge took office at this point)									
1958	$490,900	86	1,870	1,027	2,897	270	552	822	$626,415
1959	573,000	95	[1] 1,840	993	2,833	235	510	745	511,931
1960	620,000	97	1,685	1,485	3,170	502	1,165	1,667	506,040
1961	689,700	103							

[1] Comparison of the statistical reports of the court for fiscal years 1959 and 1960 indicates that the method of reporting was changed in 1960. There was no table in the 1959 statistical report showing new petitions filed with the court. The 1959 figure of 1,840 for juvenile petitions used in chart 1 may be slightly in excess of the total number of new juvenile petitions filed in the court. The figure of 1,685 new juvenile petitions filed for fiscal 1960 is a cumulative total taken from table 9 of the quarterly reports. However, the cumulative total of table 1 shows an intake of 3,243 individual juveniles. Table 7 shows disposition of 2,030 new juvenile petitions. As to new adult petitions, the cumulative total of the quarterly statistical reports of the court shows in table 9, 1,485 new adult petitions. Table 8 shows a total of 1,720 new adult petitions. The Assistant Corporation Counsel's Office indicates a total of 1,390 new adult petitions filed.

CHART II

Fiscal year	Net difference between court collections and court operating costs	Net difference per case filed	Backlog of cases
1956	+$378,000	+$102.88	None
1957	+517,677	+151.19	None
(Present judge took office at this point)			
1958	+$135,515	+$46.77	822
1959	−61,069	−21.55	745
1960	−113,960	−35.00	1,667

The essence of these charts is that through fiscal year 1957 the juvenile court, with a significantly great number of cases filed, operated on less money, had fewer employees, greatly increased collections, and had no backlog. From fiscal year 1957 to date this court has been reorganized, received increased appropriations, given additional personnel, had fewer filed cases, but collections have dropped precipitately and a large backlog has developed. All steps which might be expected to improve the operation of the court seem to have had the opposite result.

Related directly or indirectly to the autonomy and management of the court are the conflicts and confusions which have developed between the court and other District agencies. Mild to severe conflicts have been noted in the press and have been the subject of attention by House and Senate Appropriations Committees. Involved have been the Office of the Corporation Counsel, the Youth Aid Division of the Police Department, and the Department of Public Welfare. Conflicts related to the handling of adults charged with contributing to delinquency, handling of support cases, control over juveniles committed for rehabilitation, referral of juvenile first offenders involved in very minor infractions, and other problems. To minimize such incidents, clarifying amendments may be necessary.

PART III—AMENDMENTS TO THE JUVENILE COURT ACT

The subcommittees feels that the foregoing parts of this report indicate a court that is in genuine difficulty. In no other facet of the judicial system do delays have more far-reaching consequences to the community than in a juvenile court. The decision of the Congress must be such as to bring the caseload in the juvenile court to current status and insure that it be kept current. The loss of more than $400,000 per year in court collections must be corrected.

First considerations leading to legislative action to assure an efficient and effective court are: (1) Will additional judicial personnel alone provide efficient handling of the court load? (2) Should the juvenile court continue as an autonomous body? (3) If supervision is needed, should the juvenile court become a branch of the municipal court or a unit within the domestic relations branch of the municipal court of the District of Columbia?

Subordinate to the above major issues, but meriting attention, are other amendments suggested to the subcommittee or which have appeared as closely related to juvenile matters.

1. Referees: Referees are used in many juvenile courts. The referee usually handles less serious offenses and places his findings and recommendations before the judge for final action. Under procedure instituted by the court about 2 years ago, the Director of Social Work conducts hearings. This procedure closely parallels that used in courts served by referees. These director's hearings have reduced the caseload handled by the court since a substantial portion of juvenile cases have been disposed of at that level.

2. Waiver by the court: Under terms of the Juvenile Court Act, the judge may waive to the U.S. district court the case of any juvenile 16 years of age or older who has committed an offense which would constitute a felony. Pending court action or after disposition, the same juvenile may be brought before the juvenile court for another offense. If the offense is a misdemeanor, the case cannot be waived and the same juvenile has cases pending before both the juvenile and adult courts. Waiver of the child rather than the offense would prevent such a contradiction wherein the same person is a juvenile offender in one court and an adult criminal in the other court.

3. Determining sufficiency of complaints at intake: Complaints against juveniles referred to the juvenile court are not evaluated for their legal sufficiency at the time of referral. After a complaint has been investigated and a full social study made, a determination is reached as to whether the case shall be petitioned to the court. If it is to

[9] As a matter of practice, the juvenile court is exercising exclusive jurisdiction on criminal nonsupport cases since the U.S. district court has exercised no jurisdiction in such cases for several years. Municipal court for the District of Columbia enforces reciprocal nonsupport laws in the District and reports a growing volume of collections within the District. Funds so collected, however, accrue to the support of persons located outside the District of Columbia.

[10] Hearings—Senate District of Columbia Committee, Feb. 4, 1959, p. 12; Hearings—House Committee on Appropriations, District of Columbia Appropriations 1960, p. 515.

[11] Hearings—House Committee on Appropriations, District of Columbia Appropriations 1959, p. 395.

[12] Hearings—House Committee on Appropriations, District of Columbia Appropriations 1960, pp. 509–517.

[13] Hearings—House Committee on District of Columbia, July 23, 1959, p. 20.

be petitioned, the legal sufficiency of the complaint is determined by the Assistant Corporation Counsel. If there is inadequate legal basis for action, the case is dropped. Power in the hands of the Corporation Counsel to determine whether a complaint shall be petitioned to court before other disposition and determine the legal sufficiency of complaints at intake may better protect the interests of the public, the juvenile, and save staff time and effort.

4. Jury trials for juveniles: The juvenile court of the District of Columbia must grant a jury trial to a juvenile when request is made under terms of the Juvenile Court Act. This may be the only jurisdiction where such right is provided in law. The Judicial Conference of the District of Columbia recommends that the jury-trial provision for juveniles be repealed.

5. Waiver of incorrigible habitual offenders: The repeat offender, demonstrably not yielding to rehabilitative efforts, and whose offenses remain misdemeanors, is beyond the benefit of services offered by the juvenile court. Power to the juvenile court to waive such offenders for commission of misdemeanors to the municipal court would remove them from contact and association with other juveniles who might be influenced to their detriment.

6. Lowering of age limits: The present age limit for juveniles is 18. The great majority of repeat offenders and hardened young criminals are found between the ages of 16 and 18. Lowering the age limit below 18 for all offenders or only repeat offenders, for felonies or felonies and misdemeanors, would remove those beyond probable help by the juvenile court rehabilitation resources and minimize their potential of detrimental influence on other juveniles.

7. Opening court records: Present law closes the records on juvenile cases to the public and the press. In consequence the press refrains from printing names of juveniles involved in crime regardless of the source of information. Strong authority is found on both sides of the issue of secrecy of juvenile files. Whether secrecy has helped to promote increased delinquency or whether it has been a brake on an increase which would otherwise have been more rapid cannot be demonstrated by any proof. Opening records of juveniles 16 and over may merit examination in the light of present trends and beliefs of juvenile experts.

8. Juvenile traffic cases: The juvenile 16 years of age enjoys the status and privileges of an adult as to driving a car with the exception that he must go to the juvenile court for any violation of traffic regulations, including those minor violations for which an adult may post collateral. It is questioned if such minor violations constitute delinquency. Removal of such minor violations from the court's jurisdiction will lighten the court's load without increasing delinquency rates in the District of Columbia.

SPECIAL ORDER VACATED

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to vacate the special order granted me for today that I requested on yesterday.

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

There was no objection.

UNEMPLOYMENT

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked this time today in order to call the attention of my colleagues to misleading information contained in an Associated Press dispatch of yesterday commenting on a campaign booklet issued by the Republican National Committee boasting about our great national prosperity.

I want to refer to the "Operations Voracity" group of Republican Members of Congress the following article, under a Charleston, W. Va., dateline, in which the Federal Department of Employment Security releases information to the effect that 6,800 jobs in West Virginia were lost between June 15 and July 15. These jobs were nonagricultural employment. This same report shows there are 10,700 less people employed in industry in my State than there were 1 year ago.

All of this talk about national prosperity is so much hooey to the better than 80,000 unemployed people in the State of West Virginia. I challenge the members of the "Operations Voracity" group individually and collectively to explain why this great general prosperity they boast about does not apply to West Virginia.

[From the Clarksburg Exponent, Aug. 27, 1960]

SIX THOUSAND EIGHT HUNDRED LOSE THEIR JOBS

CHARLESTON.—About 6,800 workers in West Virginia lost their jobs in the latest month reported on by the Department of Employment Security.

This was from mid-June to mid-July. The loss reduced nonagricultural employment in the State to 450,000 or 10,700 less than a year earlier.

Here are some of the details as presented in the Department's report, released Friday:

"Manufacturing, with a July work force of 127,900, was 2,100 below June's 130,000 and lagged July 1959 by 2,600. Nonmanufacturing industries reported over-the-month losses totaling 4,800 as employment dropped to an estimated 322,000. This indicated a cutback of 8,100 during the past year.

"The sharp drop in demand for steel, coupled with heavy imports of glass and vacation taking without pay, all combined to reduce mid-July employment in the durable goods industries. The 76,900 at work during the reporting period represented a drop of 2,200 over the month and 3,700 over the year."

TRANSFER OF CASES BETWEEN DISTRICT COURTS AND COURT OF CLAIMS

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5396) to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "unless the parties consent to dismissal" and insert "if it be in the interest of justice".

Page 1, line 9, after "Claims" insert ", where the case shall proceed as if it had been filed in the Court of Claims on the date it was filed in the district court".

Page 2, line 6, strike out "unless the parties consent to dismissal" and insert "if it be in the interest of justice".

Page 2, line 8, after "filed" insert ", where the case shall proceed as if it had been filed in the district court on the date it was filed in the Court of Claims".

Page 2, preceding line 12, insert:

"SEC. 3. The first sentence of section 2 of the Act of March 9, 1920 (title 46, U.S.C. 742), is amended to read as follows:

"'In cases where if such vessel were privately owned or operated, or if such cargo were privately owned or possessed, or if a private person or property were involved, a proceeding in admiralty could be maintained, any appropriate nonjury proceeding in personam may be brought against the United States or against any corporation mentioned in section 1 of this Act.'"

Page 2, line 12, strike out "3" and insert "4".

Page 2, line 12, after "by" insert "sections 1 and 2 of".

Page 2, line 15, after "Claims." insert "The amendment made by section 3 shall apply to any case or proceeding brought after the date of enactment of this Act."

Amend the title so as to read: "An act to amend title 28 of the United States Code to provide for transfer of cases between the district courts and the Court of Claims and for other purposes."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

AUGUST 29, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the House Committee on Ways and Means, effective immediately.

Sincerely yours,

JOHN A. LAFORE, Jr.,
Thirteenth District, Pennsylvania.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE ON WAYS AND MEANS

Mr. HALLECK. Mr. Speaker, I offer a resolution, House Resolution 634, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That WALTER M. MUMMA, Pennsylvania, be and he is hereby, elected a member of the standing Committee of the House of Representatives on Ways and Means.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OVERALL LIMITATION ON FOREIGN TAX CREDIT

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R.

10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit, 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?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2199)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, 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. 2. Section 1503 of the Internal Revenue Code of 1954 (relating to computation and payment of tax in case of consolidated returns) is amended by adding at the end thereof the following new subsection:

"'(d) SPECIAL RULE FOR APPLICATION OF FOREIGN TAX CREDIT WHEN OVERALL LIMITATION APPLIES.—

"'(1) IN GENERAL.—If the affiliated group includes one or more Western Hemisphere trade corporations (as defined in section 921), and if for the taxable year an election under section 904(b)(1) (relating to election of overall limitation on foreign tax credit) is in effect, then the amount of taxes paid or accrued to foreign countries and possessions of the United States by such Western Hemisphere trade corporations which may be taken into account for purposes of section 901 shall be reduced by the amount (if any) by which—

"'(A) the amount of such taxes (or, if smaller, the amount of the tax which would be computed under subsection (a), if such corporations were not Western Hemisphere trade corporations, with respect to the portion of the consolidated taxable income attributable to such corporations), exceeds

"'(B) the amount of the tax computed under subsection (a) with respect to the portion of the consolidated taxable income attributable to such corporations.

"'(2) ADJUSTMENT IN CASE OF CERTAIN PUBLIC UTILITIES.—So much of any reduction under paragraph (1) as is attributable to taxes paid or accrued to foreign countries and possessions of the United States by one or more corporations which are both Western Hemisphere trade corporations and regulated public utilities shall be decreased by the excess of—

"'(A) the amount of tax computed under subsection (a) with respect to the portion of the consolidated taxable income attributable to income derived, by the corporations in the affiliated group which are not Western Hemisphere trade corporations, from sources within the foreign countries referred to in paragraph (3)(B), over

"'(B) the amount of taxes paid or accrued to such foreign countries by the corporations referred to in subparagraph (A). This paragraph shall apply only if the corporations described in subparagraph (A) derive 80 percent or more, of the gross income (computed without regard to capital gains and losses) which they derive from sources within the foreign countries described in paragraph (3)(B), from regulated public utilities and from operations as regulated public utilities.

"'(3) SPECIAL RULES.—

"'(A) For purposes of paragraph (2), a corporation is a regulated public utility only if it is a regulated public utility within the meaning of subparagraph (A) (other than clauses (ii) and (iii) thereof) or (D) of subsection (c)(1). For purposes of the preceding sentence, subsection (c)(2) shall be applied as if subsection (c)(1) were limited to subparagraphs (A)(i) and (D) thereof.

"'(B) For purposes of paragraph (2), the foreign countries referred to in this subparagraph include only any country from which any public utility referred to in the first sentence of paragraph (2) derives the principal part of its income.

"'(C) For purposes of paragraph (1)(A), the amount of tax which would be computed with respect to the portion of the consolidated taxable income attributable to any corporation or corporations shall be determined without regard to the increase of 2 percent provided in subsection (a).'"

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with the following amendments:

On page 4 of the Senate engrossed amendments, strike out line 5 and "any" on line 6, and insert "SEC. 5. Any".

On page 4 of the Senate engrossed amendments, line 7, strike out "the date of the enactment of this Act" and insert the following: "October 1, 1955,".

On page 4 of the Senate engrossed amendments, line 22, strike out "unless" and insert "if".

On page 5 of the Senate engrossed amendments, line 1, strike out "would be" and insert "would not be"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, 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. 6. (a) Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning persons subject to special provisions) is amended by renumbering section 6038 as 6039, and by inserting after section 6037 the following new section:

"'SEC. 6038. INFORMATION WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS.

"'(a) REQUIREMENT.—

"'(1) IN GENERAL.—A domestic corporation shall furnish, with respect to any foreign corporation which it controls (within the meaning of subsection (c)(1)) and with respect to any foreign subsidiary of any such foreign corporation (within the meaning of subsection (c)(2)), such information as the Secretary or his delegate may prescribe by regulations relating to—

"'(A) the name, the principal place of business, and the nature of business of such foreign corporation or foreign subsidiary, and the country under whose laws incorporated;

"'(B) the accumulated profits (as defined in section 902(c)) of such foreign corporation or foreign subsidiary, including the items of income (whether or not included in gross income under chapter 1), deductions (whether or not allowed in computing taxable income under chapter 1), and any other items taken into account in computing such accumulated profits;

"'(C) a balance sheet for such foreign corporation or foreign subsidiary, listing assets, liabilities, and capital;

"'(D) transactions between such foreign corporation or foreign subsidiary and—

"'(i) any foreign corporation controlled by the domestic corporation,

"'(ii) any foreign subsidiary of a foreign corporation controlled by the domestic corporation, and

"'(iii) the domestic corporation or any shareholder of the domestic corporation owning at the time of the transaction takes place 10 percent or more of the value of any class of stock outstanding of the domestic corporation; and

"'(E) a description of the various classes of stock outstanding, and a list showing the name and address of, and number of shares held by, each citizen or resident of the United States and each domestic corporation who is a shareholder of record owning at any time during the annual accounting period 5 percent or more in value of any class of stock outstanding of such foreign corporation or foreign subsidiary.

"'(2) PERIOD FOR WHICH INFORMATION IS TO BE FURNISHED, ETC.—The information required under paragraph (1) shall be furnished—

"'(A) in the case of a foreign corporation, for its annual accounting period ending with or within the domestic corporation's taxable year, and

"'(B) in the case of any foreign subsidiary of such foreign corporation, for such subsidiary's annual accounting period ending with or within such foreign corporation's annual accounting period described in subparagraph (A).

The information required under this subsection shall be furnished at such time and in such manner as the Secretary or his delegate shall by regulations prescribe.

"'(3) LIMITATION.—No information shall be required to be furnished under this subsection with respect to any foreign corporation or foreign subsidiary for any annual accounting period unles such information was required to be furnished under regulations in effect on the first day of such annual accounting period.

"'(b) EFFECT OF FAILURE TO FURNISH INFORMATION.—If a domestic corporation fails to furnish, within the time prescribed under paragraph (2) of subsection (a), any information with respect to any foreign corporation or foreign subsidiary required under paragraph (1) of subsection (a), then, in applying section 902 (relating to foreign tax credit for corporate stockholder in foreign corporation) to such domestic corporation (or to any person who acquires from any person any portion of the interest of such domestic corporation in any such foreign corporation or foreign subsidiary, but only to the extent of such portion) for any taxable year, the amount of taxes paid or deemed paid by each foreign corporation and foreign subsidiary with respect to which the domestic corporation is required to furnish information during the annual accounting period or periods with respect to which such information is required under such paragraph (2) of subsection (a) shall be reduced by 10 percent. If such failure continues 90 days or more after notice by the Secretary or his delegate to the domestic corporation, then the amount of the reduction under this subsection shall be 10 percent plus an additional 5 percent for each 3-month period, or fraction thereof, during which such failure to furnish information continues after the expiration of such 90-day period. No taxes shall be reduced under this subsection more than once for the same failure. For purposes of this subsection, the time prescribed under paragraph (2) of subsection (a) to furnish information (and the beginning of

the 90-day period after notice by the Secretary) shall be treated as being not earlier than the last day on which (as shown to the satisfaction of the Secretary or his delegate) reasonable cause existed for failure to furnish such information.

"'(c) CONTROL, ETC.—For purposes of this section—

"'(1) If at any time during its taxable year a domestic corporation owns more than 50 percent of the voting stock of a foreign corporation, it shall be deemed to be in control of such foreign corporation.

"'(2) If at any time during its annual accounting period a foreign corporation owns more than 50 percent of the voting stock of another foreign corporation, such other corporation shall be considered a foreign subsidiary of the corporation owning such stock.

"'(d) ANNUAL ACCOUNTING PERIOD.—For purposes of this section, the annual accounting period of a foreign corporation or of a foreign subsidiary is the annual period on the basis of which such foreign corporation or such foreign subsidiary regularly computes its income in keeping its books.

"'(e) CROSS REFERENCE.—

"'For provisions relating to penalties for violations of this section, see section 7203.'

"(b)(1) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"'SEC. 6038. Information with respect to certain foreign corporations.

"'SEC. 6039. Cross references.'

"(2) Section 902 of the Internal Revenue Code of 1954 (relating to credit for corporate stockholder in foreign corporation) is amended by adding at the end thereof of the following new subsection:

"'(e) CROSS REFERENCE.—

"'For reduction of credit with respect to dividends paid out of accumulated profits for years for which certain information is not furnished, see section 6038.'

"(c) The amendments made by subsections (a) and (b) shall apply to taxable years of domestic corporations beginning after December 31, 1960, with respect to information relating to a foreign corporation or a foreign subsidiary described in section 6038(a) of the Internal Revenue Code of 1954 (as added by subsection (a)) for its annual accounting periods beginning after December 31, 1960."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with the following amendments:

On page 8 of the Senate engrossed amendments, strike out lines 5 and 6 and in lieu thereof insert the following:

"SEC. 7. (a) Section 6046 of the Internal Revenue Code of 1954 (relating to information returns as to formation or reorganization of foreign corporations) is amended to read as follows:"

On page 10 of the Senate engrossed amendments, line 2, strike out the closing quotation marks, and after line 2 insert the following:

"(d) CROSS REFERENCE.—

"For provisions relating to penalties for violations of this section, see section 7203."

"(b) The table of sections for subpart B of part III of chapter 61 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following:

"'Sec. 6046. Returns as to creation or organization, or reorganization, of foreign corporations."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

On page 10 of the Senate engrossed amendments, line 4, strike out "amendment" and insert "amendments"; and the Senate agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

H. F. BYRD,
ROBERT KERR,
(by H. F. BYRD),
CLINTON P. ANDERSON,
JOHN WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10087) to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1, 2, 3, and 4: Under present law (subpart A of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954) income taxes paid to a foreign country or a possession of the United States may be taken as a credit against income taxes otherwise due the United States. However, under section 904 of such Code, the taxes of each foreign country which may be taken as a credit are limited to the same proportion of the United States income tax (before the credit) which the taxable income from that foreign country is of the taxpayer's total taxable income. This is known as the "per-country" limitation.

The bill as passed by both the House and the Senate provides an alternative limitation, to be applied at the election of the taxpayer. This alternative limitation, known as the "overall limitation", applies to the amount of taxes paid to all foreign countries taken together, and allows as a credit against the United States income tax the same proportion of the United States tax (before the credit) which the taxable income from sources without the United States is of the total taxable income.

Under the bill as passed by the House, taxpayers could make their initial shift from the per-country limitation to the overall limitation at any time. Once under the overall limitation they could of their own volition shift back to the per-country limitation after an interval of 5 years (or after a shorter period if they had the permission of the Treasury Department). After having shifted back to the per-country limitation they could of their own volition again return to the overall limitation after a 5-year interval (or lesser time with the consent of the Treasury Department). Senate amendments Nos. 1, 2, 3, and 4 provide that taxpayers may at their own volition elect to make an initial shift from the per-country to the overall limitation at any time, but thereafter they can change from the overall limitation to the per-country limitation, or vice versa, only with the consent of the Treasury Department.

The House recedes.

Amendments Nos. 5 and 6: These are clerical amendments. The House recedes.

Amendments Nos. 7 and 8: Under the bill as it passed the House, the amount of income taxes paid to foreign countries which was in excess of the amount which could be credited against the United States income tax for the current year could be carried back or forward from a year in which the per-country limitation was used to a year in which either the per-country limitation or the overall limitation was used, but could not be carried from an overall limitation year to a per-country limitation year. Under Senate amendments Nos. 7 and 8, such excess cannot be carried either from a per-country limitation year to an overall limitation year, or from an overall limitation year to a per-country limitation year (but may, as under the bill as passed by the House, be carried from one per-country limitation year to another per-country limitation year, or from one overall limitation year to another overall limitation year).

The House recedes.

Amendment No. 9: This is a technical amendment. The House recedes.

Amendment No. 10: Senate amendment No. 10 adds a new subsection (d) to section 1503 of the Internal Revenue Code of 1954, relating to computation and payment of tax in case of consolidated returns. This new subsection provides that in the case of a consolidated return by an affiliated group of corporations which includes one or more Western Hemisphere trade corporations in a year in which the new overall limitation applies, the amount of taxes paid to foreign countries or United States possessions with respect to the income of Western Hemisphere trade corporations (which are taxed at a 38 percent rate instead of the regular corporate 52 percent rate) in excess of a 38 percent rate, but not in excess of a 52 percent rate, should not be taken into account in computing the foreign tax credit of the affiliated group. The bill as passed the House contained no comparable provision.

The House recedes with an amendment. The conference agreement retains the substance of the Senate amendment as a general rule which appears in paragraph (1) of the new subsection (d). As under the Senate amendment, the rule provided in this paragraph denies, where the overall limitation is used, the right to credit certain foreign taxes[1] paid by the Western Hemisphere trade corporations against the United States taxes on income attributable to corporations in the same affiliated group which are not Western Hemisphere trade corporations. The taxes which may not be credited are those in excess of what the United States taxes are for these Western Hemisphere trade corporations (generally resulting in an effective tax rate slightly under 38 percent), but only to the extent these foreign taxes do not exceed the United States taxes which would be imposed on these corporations if they were not Western Hemisphere trade corporations (generally resulting in an effective tax rate slightly under 52 percent).[2] Thus if all the Western Hemisphere trade corporations in a consolidated group in the aggregate pay foreign taxes which, in terms of United States methods of computing income, result in a tax at the effective rate of, say, 32 percent then paragraph (1) would not come into operation. However, if the effective rate of the tax exceeds 38 percent,[3] then paragraph (1) denies the use of such excess foreign taxes as credits against the United States taxes on other foreign income in the consolidated group. However, once this effective rate reaches 52 percent,[4] to the extent of any taxes over this effective rate the taxes

[1] All references to foreign taxes are intended to also include taxes of United States possessions.

[2] This is determined without regard to the additional 2 percent tax on consolidated returns

[3] This is an approximation since it does not take into account the surtax exemption.

[4] This is an approximation since it does not take into account the surtax exemption.

are eligible for crediting. The omission in this paragraph of any reference to the computation of the United States taxes involved as being before allowance of the foreign tax credit does not have any substantive effect but merely conforms with the general references in the Code to income taxes as those before the allowance of credits.

Under the conference agreement, the reduction in the taxes of Western Hemisphere trade corporations which may be credited in the case of taxes on other incomes, i.e., the general rule provided by paragraph (1), may itself be reduced where the Western Hemisphere trade corporations are also regulated public utilities. An adjustment is provided for in a new paragraph (2) of the subsection (d). This paragraph (2) makes the reduction provided by paragraph (1) inapplicable in the case of excess foreign taxes of Western Hemisphere trade corporations which are also public utilities (the excess referred to is the taxes which, under paragraph (1) of the new subsection (d), may not be credited against U.S. taxes on the income of corporations other than Western Hemisphere trade corporations) but only to the extent of the excess of U.S. taxes over the foreign taxes paid by corporations in the same affiliated group which are other than Western Hemisphere trade corporations, with respect to income derived from these same foreign countries.

The adjustment provided by paragraph (2) is to be available only when the corporations involved, which are not Western Hemisphere trade corporations, receive 80 percent or more of the gross income (from the foreign countries specified in the conference agreement) from regulated public utilities and from their own operations (where they are regulated public utilities). Income from regulated public utilities for this purpose is intended to include dividend and interest income received from regulated public utilities as well as commissions, fees, etc., received from such utilities as payments for the rendition of technical and management services. Capital gains and losses are not taken into account for the purposes of this computation. Moreover, it is not intended, in the computation of gross income for this purpose, that any amount be taken into account more than once.

A new paragraph (3) in subsection (d) specifies in subparagraph (A) that the regulated public utility referred to is one which is described in section 1503(c)(1)(A) (other than clauses (ii) and (iii) thereof) or (D). Thus, it must be a corporation engaged in the furnishing or sale of electric energy, gas, water or sewerage disposal services or telephone or telegraph services and 80 percent or more of its income must be derived from some combination of these sources. The rates must be established or approved by the agencies specified in the law or the requirements of the last sentence of section 1503(c)(2) (relating to treatment of unregulated rates) must be satisfied.

Subparagraph (B) of paragraph (3) provides that the foreign countries referred to in paragraph (2) are those from which the public utility referred to in the first sentence of paragraph (2) derives the principal part of its income. Where more than two countries are involved this means the country from which the utility derives more income than it derives from any other country.

Subparagraph (C) of paragraph (3) provides that, for purposes of the computation of United States tax required by paragraph (1)(A), the 2 percent additional tax provided by section 1503(a) is to be omitted.

The adjustment provided in paragraph (2) can be illustrated by the following example: Assume that four Western Hemisphere trade corporations, which are regulated public utilities, operate in four different Latin American countries and have an aggregate consolidated taxable income of $100,000 on which they paid foreign taxes of $45,000. The United States tax in such a case (ignoring the surtax exemption) would be $38,000. Assuming the overall limitation is used, only $38,000 of the $45,000 could be claimed as a foreign tax credit as the result of the application of subsection (d)(1). However, assume also that the other two corporations in the same consolidated group (which are not Western Hemisphere trade corporations and which meet the 80 percent gross income test of the new section 1503(d)(2)) receive $50,000 of consolidated taxable income from the same four countries on which they pay taxes to those countries of $22,000. The United States tax in this case (again ignoring the surtax exemption but including the additional 2 percent tax on certain consolidated income) would be $27,000. Paragraph (2) provides in such a case that $7,000 of excess foreign taxes paid by the four Western Hemisphere trade corporations ($45,000 less $38,000) is available to be claimed as a credit to the extent the United States taxes on the other income in the consolidated group from the same foreign countries ($27,000) exceeds the taxes paid these foreign countries with respect to this income ($22,000). Thus $5,000 of $7,000 in this case could be claimed as a credit.

Amendments Nos. 11, 12, 13, 14, 15, and 16: These are clerical amendments. The House recedes.

Amendment No. 17: Senate amendment No. 17 added a new section to the bill as it passed the House. Under this new section, any amount received after 1949 and before the enactment of the bill from a corporation (1) formed exclusively for the purpose of, and engaged exclusively in, operating without profit a scientific laboratory for the Atomic Energy Commission, and (2) operated solely on funds appropriated to the Commission, by an individual as reimbursement for moving himself and his immediate family, his household goods, and his personal effects to a new place of residence in order to accept employment with such corporation, is to be treated (for Federal income tax purposes) as an amount not includible in gross income to the extent such amount did not exceed the expenses actually paid or incurred for such purposes. This provision was to apply unless the individual was advised at the time of his employment by an authorized officer, employee, or agent of the corporation that the amount of reimbursement would be includible in gross income. In any case in which a refund or credit of an overpayment resulting from the application of this provision is prevented by the operation of any law or rule of law (other than ch. 74 of the Internal Revenue Code of 1954, relating to closing agreements and compromises, and the corresponding provisions of prior law), such refund or credit may be made or allowed if claim is filed within six months from the enactment of the bill, but no interest is payable or allowable on any refund or credit payable by reason of the application of this waiver.

The House recedes with amendments. Under the conference agreement, the new section added by the Senate amendment No. 17 is retained but applies only to amounts received before October 1, 1955 (rather than before the date of the enactment of the bill). In addition, this provision applies only to cases where the individual involved was advised (either expressly or by clear implication) at the time of his employment by an authorized official of the corporation that the amount of the reimbursement would not be includible in gross income.

It is the understanding of the conferees that prior to about September 1, 1955, the officials of a corporation engaged exclusively in operating without profit a scientific laboratory for the Atomic Energy Commission had assumed that such expense reimbursement was not taxable income. It is further understood that professional and skilled employees who were hired by the corporation before that date were either expressly told or given the clear impression that their reimbursed traveling or moving expenses were not taxable income to them. For example, the conferees have been advised that in many cases new employees were told all of their expenses of moving would be paid by the corporation, with no mention made as to the taxable nature of such reimbursed expenses. Under such circumstances it is the view of the conferees that prior to September 1955, corporate officials of the corporation were, in effect, advising newly hired employees that they would not be taxable with respect to such expense reimbursement.

Amendment No. 18: Senate amendment No. 18 adds a new section to the bill as it passed the House redesignating section 6038 of the Internal Revenue Code of 1954 as section 6039 and inserting a new section 6038. Under the Senate amendment, the new section 6038 provides that, if a domestic corporation controls any foreign corporation, it must furnish such information with respect to such foreign corporation (and with respect to any foreign subsidiary of such foreign corporation) as the Secretary of the Treasury or his delegate prescribes by forms and regulation as necessary to carry out the provisions of the income tax laws. If such information is not furnished at the time required by the Secretary or his delegate, no credit is allowable to any person under section 902 (relating to foreign tax credit for corporate stockholder in foreign corporation) for taxes paid by such foreign corporation or its subsidiaries for their taxable years for which the domestic corporation failed to furnish information.

The House recedes with an amendment substantially revising the new section 6038. Under the conference agreement section 6038 specifies the information required to be furnished by the domestic corporation, concerning any foreign corporation it controls and any of such foreign corporation's subsidiaries, as such information as the Secretary or his delegate prescribes by regulations relating to specific listed items. In general, these include corporation name; country of incorporation; nature and place of business; profits, deductions, foreign taxes, and any other items taken into account to determine accumulated profits; a balance sheet showing assets, liabilities, and capital; transactions with certain related persons; and certain shareholders who are citizens or residents of the United States or who are domestic corporations.

Such information must be furnished as to the foreign corporation for its annual accounting period ending with or without the domestic corporation's taxable year and as to the subsidiary for its annual accounting period ending with or within the foreign corporation's annual accounting period. The information must be furnished at such time and in such manner as the Secretary or his delegate prescribes by regulations, but only such information shall be required for any annual accounting period as is required to be furnished under regulations in effect on the first day of the period.

Subsection (b) provides that, if the domestic corporation fails, by the time prescribed by regulations for a taxable year, to furnish any information concerning any one or more of the foreign corporations or subsidiaries, then in applying section 902 (relating to foreign tax credit for corporate shareholder in foreign corporation) to such domestic corporation (or to any person who acquires from any person any portion of the interest of such domestic corporation in any such foreign corporation or subsidiary, but only to the extent of such portion) for any taxable year, the amount of taxes paid

or deemed paid by each foreign corporation and subsidiary during the accounting period or periods for which the domestic corporation was required to furnish information for the taxable year of the failure shall be reduced by 10 percent. If the failure continues 90 days or more after notice by the Secretary or his delegate, the reduction is 10 percent plus 5 percent for each 3 month period or part thereof during which the failure continues after the 90-day period. No taxes, however, shall be reduced more than once for the same failure. For purposes of the new section 6038(b), the time to furnish information, and the beginning of the 90-day period is treated as delayed, however, until the last day (as shown to the satisfaction of the Secretary or his delegate) that reasonable cause exists for the failure.

Under subsection (c) the domestic corporation is deemed to control a foreign corporation 50 percent of whose voting stock it owns, and the foreign corporation is deemed to have as a subsidiary another foreign corporation 50 percent of whose voting stock it owns.

Subsection (d), adapting the definition contained in section 441 of the Internal Revenue Code of 1954, defines "annual accounting period" of a foreign corporation or its foreign subsidiary as the annual period on the basis of which such corporation keeps its books. The term may refer to an accounting period of less than 1 years, however, where for example the foreign income, war profits, and excess profits taxes are determined on the basis of an accounting period of less than 1 year as described in section 902(c)(2).

The new section 6038 applies to taxable years of a domestic corporation beginning after December 31, 1960, with respect to information as to a foreign corporation or foreign subsidiary for annual accounting periods beginning after December 31, 1960.

Amendment Nos. 19 and 20: Senate amendment No. 19 adds a new section to the bill as it passed the House. The amendment would modify section 6046 of the Internal Revenue Code of 1954. Present section 6046 requires every attorney, accountant, fiduciary, bank, trust company, financial institution, or other person, who advises as to the formation or reorganization of a foreign corporation, to file a return in accordance with regulations prescribed by the Secretary of the Treasury or his delegate. The regulations under this section provide that an attorney need not furnish any information which he has obtained by virtue of the attorney-client relationship. As a result, existing section 6046 has had little practical effect. Attorneys are not free to furnish information which is the subject of privileged communications, and in most cases those not entitled to invoke the privilege contend that they have merely given general advice or performed clerical services and therefore possess no substantive information.

In order to obtain more comprehensive information concerning a greater number of foreign corporate organizations and reorganizations than is available under the present section 6046, the section is amended to require returns relating to the creation, organization, or reorganization of foreign corporations to be made by every citizen or resident of the United States who was an officer or director of the corporation at any time within 60 days after its creation, organization, or reorganization, and by every U.S. shareholder of the corporation owning at least 5 percent of its outstanding stock at any time within such 60 days. This amendment eliminates from the section the problem resulting from privileged communications and places the responsibility for making returns on those persons who are most likely to have within their possession the information desired.

Senate amendment No. 20 adds a new section to the bill providing that the amendment to section 6046 is to apply only with respect to foreign corporations created or organized, or reorganized, after the date of the enactment of the bill.

Under the conference agreement, the House recedes on Senate amendments Nos. 19 and 20 with technical amendments.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

Mr. MILLS (during the reading of the statement). Mr. Speaker, in view of the fact that the statement of the managers on the part of the House is rather lengthy and since it is the result of unanimous agreement among the managers on the part of the House, I ask unanimous consent that the further reading of the statement be dispensed with since it is printed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, your House conferees have reached agreement with the conferees of the other body on the bill, H.R. 10087, which, you will recall, deals with the limitation on the credit allowable against U.S. income taxes for taxes paid to foreign countries and U.S. possessions.

As passed by the House, H.R. 10087 gave taxpayers the privilege of electing to compute the foreign tax credit to which they were entitled under an overall limitation rather than under the per-country limitation provided under present law. The bill provided that once such an election had been made it could be changed only with the consent of the Treasury, except that after 5 years taxpayers were permitted to shift their election without Treasury consent. In addition, the House bill provided that any unused foreign tax credits arising in a per-country limitation year could be carried over and used in either another per-country limitation year or in an overall limitation year, but that any such credits arising in an overall limitation year could only be carried over to another year in which the overall limitation applied.

The other body made three substantive amendments that related to the bill in the form in which it was passed by the House and which operated to restrict its application.

The first of these amendments provided that with the exception of an initial election to use the overall limitation, any shift from one limitation to the other could only be made with the approval of the Treasury Department. This amendment was designated to preclude the changing of the applicable limitation after 5-year intervals for tax reasons alone. It is expected, however, that the Treasury will permit changes where business conditions change.

The second restrictive amendment made by the other body provided that unused foreign tax credits from a per-country limitation year or from an overall limitation year may be carried over and used only in another year in which the same limitation was applicable. Your House conferees were advised that this amendment precluded an initial nonrecurring revenue loss of some $30 million which would result from a windfall gain to taxpayers who have large accumulated but unused tax credits under the present per-country limitation.

Under the conference agreement, both of these restrictive amendments were retained.

The third restrictive amendment made by the other body to the provisions of H.R. 10087 as passed by the House related to the application of the overall limitation on the foreign tax credit where a consolidated tax return is filed by an affiliated group of corporations which includes one or more Western Hemisphere trade corporations. Under the House bill any unused tax credits of a Western Hemisphere trade corporation which was a member of an affiliated group which elected the overall limitation could be applied to offset the U.S. tax on the foreign source income of other members of the group which were not Western Hemisphere corporations.

The other body, however, amended the House bill to provide that where the unused tax credits of the Western Hemisphere trade corporations in the group were attributable solely to the fact that such corporations are taxed at only a rate of about 38 percent rather than the generally applicable U.S. corporate rate of about 52 percent, such credits could not be used to offset any U.S. tax on the foreign source income of other non-Western Hemisphere trade corporation members of the group.

Under the conference agreement the substance of the amendment made by the other body is retained as a general rule. However, your conferees were of the opinion that the offsetting of the unused tax credits of the Western Hemisphere trade corporation members of an affiliated group was warranted where they were applied against U.S. tax on income realized by the non-Western Hemisphere trade corporation members of the group from sources within the same countries in which the Western Hemisphere corporations realized the principal part of their income. This seemed to be particularly true where the Western Hemisphere trade corporations producing the income were regulated public utilities and therefore not competitive with domestic enterprises.

Accordingly, under the conference agreement, any unused tax credits of the Western Hemisphere trade corporation members of the group, if they are regulated public utilities, are permitted to offset the U.S. tax on the income of other group members who are not Western Hemisphere trade corporations provided the income realized by the non-Western Hemisphere trade corporation group members is derived from sources within the countries in which the Western Hemisphere trade corporation members of the group, which are public utilities, realize the principal part of their income. However, to further restrict the application of this provision to public utility-type income, 80 percent or more of the

gross income of the non-Western Hemisphere trade corporation members, against which the excess taxes are credited, must be derived from or by regulated public utilities.

The other body also made three substantive amendments to H.R. 10087 which were not related to the general effect of that bill as it was passed by the House.

The first of these amendments added a new provision under which the gross income of certain employees of nonprofit corporations formed by the Atomic Energy Commission to operate scientific laboratories would not include any reimbursed moving expenses incurred after 1949 and before enactment of this bill unless such employees were advised that such reimbursed expenses would be includible on their gross incomes. This amendment also provided that a refund or credit of an overpayment resulting from the application of this provision would not be barred by any rule of law—with certain exceptions as to closing agreements and compromises—if an appropriate claim therefor was filed within 6 months after enactment. However, no interest would be allowable with respect to any such credit or refund.

Under the conference agreement, the provision added by amendment made by the other body is generally retained but only applies to amounts received before October 1, 1955—rather than before the date of enactment. Furthermore, it only applies where the employees were advised—either expressly or by direct implication—at the time of employment by an authorized official that such reimbursed moving expenses would not be includible in the gross income.

The second amendment made by the other body which was not related to the bill in the form in which it was passed by the House added a new section 6038 to the Internal Revenue Code which required domestic corporations that have 50-percent control of a foreign corporation to file certain information required by forms and regulations of the Treasury. This also applies to a subsidiary of such a foreign corporation where the foreign corporation has a 50-percent interest in the subsidiary. The failure to file this information within the prescribed time would preclude any person from obtaining a tax credit for foreign taxes paid by such foreign corporation—or foreign subsidiary—for years for which the domestic corporation failed to furnish the required information.

Under the conference agreement, the new section 6038 was substantially revised. As revised, this section specifies in more detail the information which the Treasury may by regulation require to be furnished by the domestic corporation, concerning any foreign corporation it controls—or any of such foreign corporation's subsidiaries. The information required with respect to the annual accounting period of the foreign corporation or its foreign subsidiaries must be furnished in the time and manner prescribed by Treasury regulations but only if such regulations were in effect on the first day of such annual accounting period.

If the domestic corporation in control of the foreign corporation—or its subsidiary—fails to timely file the required information without reasonable cause, then in applying the foreign tax credit provisions to such corporations—or its successors in interest to the particular stock involved—the amount of the taxes paid or deemed paid by each foreign corporation—and subsidiary—during the accounting period or periods for which the domestic corporation was required to furnish information for the taxable year of the failure is to be reduced by 10 percent. If the failure continues 90 days or more after notice by the Secretary or his delegate, the reduction is 10 percent plus 5 percent for each 3-month period or part thereof during which this failure continues after the 90-day period. However, no taxes shall be reduced more than once for the same failure. This reduction of the foreign tax credit by 10 percent—with subsequent reductions of 5 percent—is in lieu of the other body's penalty which would have denied the credit altogether in such cases. Moreover, the conference agreement applies the penalty only to those who failed to file the return, and not to minority stockholders not required to supply the new information.

The new section 6038 applies with respect to taxable years beginning after December 31, 1960, with respect to information for the annual accounting period of a foreign corporation—or foreign subsidiary—beginning after that date.

The third amendment made by the other body which was not related to the provisions of the House bill, would modify section 6046 of the Internal Revenue Code of 1954, which at present requires the filing of certain information returns by attorneys, accountants, and other persons who render assistance or advice in the formation or reorganization of foreign corporations. This section has had little practical effect today in obtaining the information required on these returns. In part this is because the attorneys, accountants, and other professional aids consider this information to be privileged communications with clients which could not be disclosed without violating a confidential professional relationship. Also, the section now has little practical effect because the persons required to file the returns disclaim any knowledge of the substantive information required.

As amended by the other body, section 6046 is designed to achieve greater success in obtaining the information sought as to foreign corporate organizations or reorganizations by requiring returns by citizens and residents of the United States who are officers or directors of the organizations within 60 days after their creation or organization. Reporting is also required by every U.S. shareholder who owns at least 5 percent of the stock within such period. These persons are the ones who are most likely to have the required information at hand and they have no professional reasons for not disclosing it. This amendment was retained and is to be effective with respect to foreign corporations created, organized, or reorganized after enactment.

Mr. MASON. Mr. Speaker, I join my distinguished committee chairman and esteemed friend from Arkansas [Mr. MILLS] in urging the House adoption of the conference report on H.R. 10087. This legislation pertains to the taxation of income derived from abroad.

Under existing law income taxes paid to a foreign country may be taken as a credit against income taxes otherwise due the United States. This credit for income taxes paid abroad dates from 1918 in our Federal tax structure and was designed to eliminate double taxation of income. Prior to 1918 a deduction from gross income had been allowed for foreign income taxes. Under the existing law provisions a so-called per country limitation is applicable so that the taxes paid in each foreign country which may be taken as a credit against U.S. tax are limited to the same proportion of the U.S. tax before the credit which the income from that foreign country is of the taxpayer's total taxable income.

The first limitation on the foreign tax credit which was adopted in 1921, was an overall limitation in effect permitting the aggregation of foreign income and the aggregation of foreign tax credits in making the computation. Under the overall limitation the foreign taxes were put in one combined tax-basket and the domestic taxes were put in another tax-basket and the one was offset against the other. The 1932 Revenue Act added the per-country limitation whereunder a separate tax-basket is provided with respect to foreign income from each foreign country. It is the purpose of the overall limitation and the per-country limitation to prevent U.S. tax on domestic income from being reduced by foreign tax rates which are higher than U.S. tax rates. The 1954 code eliminated the overall limitation so that since the enactment of the 1954 law only the per-country limitation has been available.

By making the overall limitation available as provided in H.R. 10087 we will be allowing a U.S. taxpayer to treat his domestic business as one operation and his foreign business as another operation and to average together the high and low taxes of the various countries in which he may be operating by using the overall limitation. To an extent we will through the adoption of the overall limitation be equalizing the tax on foreign operations generally with the tax treatment which is already available in the case of the so-called foreign-base corporation or foreign subsidiary serving as a holding company.

H.R. 10087 in its House-passed form allowed a taxpayer to shift initially from the per-country limitation to the overall limitation at any time. After the initial shift a new election would be available after a 5-year interval or at an earlier date if the taxpayer had permission from the Treasury Department. The Senate modified this election privilege to provide that the taxpayer has discretion to make the initial shift from

one basis to the other basis but a change, once the initial election is made, can be made only with the consent of the Treasury Department. The House conferees accepted this Senate amendment.

The House and Senate versions also differed with respect to the carryover provisions affecting the treatment of excess credits. The House and Senate versions differed in the way in which such excess credits could be carried back or forward from a year in which the per-country limitation was used to a year in which the overall limitation was used. The House conferees agreed to the Senate version.

The House conferees as a general rule accepted a Senate amendment having to do with the allowance of foreign tax credits in the case of consolidated returns. This rule would deny, where the overall limitation is used, the right to credit foreign taxes paid by a Western Hemisphere trade corporation against U.S. taxes on income attributable to corporations in the same affiliated group which are not Western Hemisphere trade corporations. This restriction applies only with respect to the special 14-point tax differential available to these Western Hemisphere trade corporations. The House conferees provided an exception to this general rule where income is earned by members of the consolidated group which are not Western Hemisphere trade corporations in the same countries from which the Western Hemisphere trade corporations derive their principal income. However, this is provided only if the Western Hemisphere trade corporations are also regulated public utilities. Moreover, the income of the other companies against which the excess Western Hemisphere trade corporation taxes are applied must be derived to the extent of 80 percent from public utility sources. It is intended that all income derived from a non-utility company in an affiliated group from scientific, technical, engineering, management, and other similar services rendered to regulated public utilities shall qualify as income derived from the regulated public utilities for purposes of the 80-percent rule.

The effect of this amendment to H.R. 10087, as agreed to by the conferees, is to permit the separate aggregation of all income and all tax credits in countries, taken together in one group, in which affiliated companies have Western Hemisphere trade corporations included in a consolidated tax return, provided such Western Hemisphere trade corporations are public utilities in accordance with certain parts of section 1503 of the code.

Thus this amendment allows affiliated companies filing a consolidated tax return to aggregate the income and tax credits earned in the countries wherein Western Hemisphere trade corporations, which are also regulated public utilities, derive the principal part of their income. This grouping would include all income from sources in countries in which there are Western Hemisphere trade corporations if the tests of this bill are met. However, none of these excess credits within the range of 38 percent to 52 percent could offset the U.S. tax on income from other countries either inside or outside the Western Hemisphere. Thus the income and tax credits from countries in which the affiliated companies do not have Western Hemisphere trade corporations would be aggregated separately. The total of the tax credits allowable under the two groupings would not exceed the amount of credits allowable under the overall limitation under section 904(a)(2).

Another Senate amendment which was accepted by the House conferees with modification concerned new information returns to be required of foreign corporations and the subsidiaries which are controlled by domestic corporations.

The Senate also provided that where individuals are reimbursed for moving expenses in certain cases involving scientific laboratories established on a nonprofit basis to work with the Atomic Energy Commission, the reimbursement need not be included in income for tax purposes. Your conferees accepted this amendment with modification.

Mr. Speaker, I urge my colleagues to support the conference agreement.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TRIBUTE TO HON. WINT SMITH

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. McINTIRE. Mr. Speaker, I rise to pay tribute to one of our Members who will not, because of his decision to retire, be with the Members of Congress who meet in the 87th Congress—our colleague and good friend, WINT SMITH of the Sixth District of Kansas.

Farewells always harbor a certain sense of sadness, but there is also a brightness associated with reflections, and so I am quickly led to think of my associations with WINT in the House of Representatives and on the House Committee on Agriculture on which we both serve.

The first impression that one gets of WINT is that he is a big man, big of physical being. The second impression is even more profound—and this is gained only after one gets to know him through daily association—and it is that he is big not only physically but mentally and spiritually as well.

WINT, I think we will all agree, epitomizes the true conservative legislator, adhering, as he does, to those time-tested principles which have withstood the acid of the ages.

One quickly finds that there is something of the Kansas plains in WINT SMITH, for he has a ruggedness of character about him that permits him to stand unflinching and unyielding. A man of firm conviction, he is not easily swayed from his course of thought nor ever led to surrender up principle on the altar of expediency. Consistency is WINT SMITH's trademark, and one can always be certain just where he will stand on any particular issue.

Coming from a great wheat-producing section, WINT has an intimate familiarity with the problems of the wheat farmer. Equipped with such an understanding, he is never hesitant to champion the cause of the wheat farmer either in the House Committee on Agriculture or on the floor of the House of Representatives.

WINT SMITH preceded me in the Congress, having been elected to the 80th Congress on November 5, 1946. Subsequently, he was reelected to the 81st, 82d, 83d, 84th, 85th, and 86th Congresses.

During my association with him I have grown to know him and to respect him, holding high the value of his counsel and advice. I quickly found him to be the strong, silent type of individual, but discovered that he is not without words when something need be said. And as one gets to know him, he finds this out swiftly, so when he speaks one listens, and when one listens he learns.

As WINT SMITH leaves these Legislative Chambers, the Sixth District of Kansas loses an able, a sound, and a vigorous Representative in the Congress. But, as a consoling feature the district also gains an eminently solid citizen.

As WINT leaves the House of Representatives, he will be missed by his colleagues, for both Republicans and Democrats alike will freely admit that he has made a real contribution to our legislative body, a contribution that will become all the more apparent in his absence.

As the curtain fast falls on the 86th Congress and on WINT SMITH's career in the House of Representatives, WINT must be touched with at least a tinge of regret, for it is not easy to break a cord so well and strongly tied.

But as he leaves he takes with him a rich store of memories from which he can generously draw in the future. So fortified, he can look to tomorrow with hope and into yesterday with pure pleasure.

This wish I extend WINT as he leaves us: May the harvest of your future years be filled with the rich fruits that always spring from the productive seed of honest and earnest effort.

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

Mr. McINTIRE. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I want to commend the gentleman for taking this time this afternoon to pay tribute to WINT SMITH. I want to join in this expression of our affection for our colleague from Kansas, and of our sincere regret over his retirement from the House. I was very disappointed when I learned that WINT SMITH had decided to leave Congress. His retirement is a distinct loss, not alone to his district and to the State of Kansas,

but to the entire Nation. Men of the type of WINT SMITH are needed in public life today as never before.

Mr. Speaker, I greatly enjoyed and appreciated the friendship of WINT SMITH. I admired his sterling qualities and his rugged individualism. I found him to be a true and a loyal friend, and I shall always be grateful to him for his many acts of kindness.

WINT SMITH was independent in thought and action. He voted his convictions and followed the course that he thought was for the best interests of our Nation. I always enjoyed a visit with him, whether in his office, on the floor, or at a baseball game. He was a fine companion and we spent many happy hours together.

I take this opportunity to wish WINT SMITH much happiness in the years ahead, and success in all of his plans for the future. I hope that our paths cross frequently. Mrs. Chenoweth joins me in extending our very best wishes to both Mrs. Smith and WINT.

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

Mr. McINTIRE. I yield to the gentleman from Kansas.

Mr. AVERY. I certainly want to be associated with the tributes that are being paid to my colleague from Kansas, who is retiring from the Sixth District, Mr. WINT SMITH.

I have been faced with a rather serious problem in the last few days, since I am the remaining Member from Kansas on the Republican side who will be a candidate for reelection, and I wanted to have proper time to pay tribute to my retiring collegues from Kansas, Mr. REES, from the Fourth District, and Mr. WINT SMITH. I had hoped that Mr. SMITH could have been present in order to hear the remarks that are to be made this afternoon in his behalf. I do not know of anyone who has been a Member of this body since I have been a Member who has stood more solidly for the principles in which he believes than has the gentleman from Kansas [Mr. SMITH].

Although I was not always in agreement with him—very frankly, of course, I was frequently in disagreement with him—nevertheless, I always respected WINT for the position he took. I knew it was taken only after full consideration of all the points and arguments that had been presented. Certainly anybody who knew WINT at all would know that he was not swayed by any influence of any special interest group in the conclusions he came to. They were developed entirely within his own mind upon the facts that had been presented to him or knowledge he may have had of the subject.

So. Mr. Speaker, he will certainly be missed from this body in the succeeding Congresses. I know his district well. I feel that his successor will reflect the same philosophic view, although probably not in complete agreement with him.

While WINT served recently on the Committee on Agriculture, yet during the first part of his congressional service he worked in the field of labor and education. Any Member who has served on that committee with WINT certainly knows to be true what I have said, that when he took a position it was based strictly upon facts as he knew them; and after his position was taken he remained immovable, oblivious of any pressure that might be applied.

Mr. McINTIRE. Mr. Speaker, I am pleased now to yield to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I am glad to have the opportunity to express my appreciation of and respect for our colleague, the gentleman from Kansas, [Mr. WINT SMITH.] I have had the privilege of serving with him on the Committee on the District of Columbia. I have found him to be one of the foundation stones of good legislation in this body. He is a tower of strength. He is a man who not only has served his country honorably, well, and with great distinction in time of war, but his contribution in this legislative body has been one of the greatest that has come within my acquaintance during the time I have been here. I regard him as a great man and a great American. I deeply regret to see him leave this body, and my best wishes go with him.

Mr. McINTIRE. Mr. Speaker, I now yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I am happy to be able to join with the gentleman from Maine and others in paying tribute to one of the stoutest Americans I have ever known in the Congress of the United States, WINT SMITH. He is a man of character; he is a man of conviction. He has served his country well in many fields. He will be missed in the years ahead, I am sure.

I also want to take this opportunity, if I may, Mr. Speaker, to join with those who yesterday paid tribute to another great Kansan, who is leaving this body, the Honorable ED REES. I have never known a finer Christian gentleman or finer legislator in all the years I have been here, than ED REES. He, too, will be missed. With these two great individuals, these two great Americans from Kansas leaving this body, there will be indeed created here a great vacancy that will be hard and difficult to fill.

Mr. McINTIRE. Mr. Speaker, I am happy to yield to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Speaker, it is a privilege to join with the rest of the Members in paying tribute to WINT SMITH and ED REES. It has been my pleasure to know both these gentleman since I came to Congress, and I know the outstanding service WINT SMITH has rendered to the Nation in both World War I and World War II. Not only that, but he also has an outstanding record in the State of Kansas.

While I did not serve on a committee with WINT SMITH I recognize that he studied each problem and arrived at the conclusion he felt best and that he had the nerve and the courage to stand up and cast his vote as he analyzed each particular piece of legislation submitted to him. I know we shall miss him in the future.

I hope both he and Mr. REES enjoy their retirement to the great State of Kansas and continue their great interests in that State.

Mr. McINTIRE. Mr. Speaker, I am pleased to recognize the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, I would like to join with my colleagues in recognition of the work of this great statesman, WINT SMITH of Kansas. I had the privilege of serving with him on the Labor Committee during those trying days when we were writing the Taft-Hartley law. He was one of the mainstays of good sound labor legislation all during his stay here.

We regretted it when he left our committee to go to the Committee on Agriculture. We were the losers, the other committee gained a great statesman.

At this time I would like to pay great tribute to ED REES, who has been a neighbor of mine on the same floor during all of the years I have been here. He has served his country well and deserves the fine retirement he will enjoy in the years to come.

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

Mr. McINTIRE. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, as this session of Congress draws to a close, I find it increasingly difficult to become reconciled to the fact that my good friend, WINT SMITH, is voluntarily leaving the House of Representatives.

I know of no man in public life more endowed with those great virtues of personal integrity and courage. Once convinced of the proper course to pursue he never wavered, even though that course was sometimes unpopular in the view of certain people.

WINT SMITH has a long and enviable record of military service and I am sure that from this service to his country has stemmed, in part, his resolute determination that this constitutional government be preserved at all cost.

WINT SMITH is a great American, a true patriot, and a splendid public servant. Even though I deeply regret his decision to retire, I am confident he will continue to give of his talents to his State and Nation.

May both Mr. and Mrs. Smith find a full measure of health and happiness in the days to come.

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

Mr. McINTIRE. I yield to the gentleman from Georgia.

Mr. FORRESTER. Mr. Speaker, I have received much inspiration from the gentleman from Kansas [Mr. SMITH]. He is a great statesman, he exemplifies everything that is fine. Every action of his has been in the interest of his State and country. No wonder we are going to miss him. I wish for him and his family the very best always.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I thank the gentleman and also

thank him for taking this time so that we may pay tribute to our fine colleague, WINT SMITH, of Kansas.

I have known WINT SMITH since my young manhood. This is the second day in a row that I have had the privilege of paying tribute to two Members of Congress who have been friends of my father. WINT SMITH, when I first knew him, was head of the Kansas Highway Patrol. My father was in politics in Kansas at the time. My father and WINT were friends and associates.

Since coming to the Congress I have had many occasions to be grateful to WINT for the help he has given to me so freely. As a matter of fact, the reason I became a member of the Committee on Education and Labor of the House was because WINT SMITH one day asked me if I would be willing to do so. I said I would, and have never regretted that.

This is a man who has integrity that is almost beyond depth. I do not know any way that you could express in words the type of integrity which is possessed by WINT. Suffice it to say, whenever he said he would be in a certain position you always knew that he would be there. You never had to look for him.

To me it will be a great loss to the House of Representatives and the country to have WINT SMITH retire to private life. But I do wish for WINT and Mrs. Smith on behalf of my family and myself the best of everything in the years to come in the full knowledge that they have contributed tremendously to the welfare of their country, their State, and their district.

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

Mr. McINTIRE. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I, too, would like to say a few words on behalf of WINT SMITH, who is voluntarily leaving the House of Representatives. It has been a real pleasure not only to know him but to work with him. I would interpret WINT SMITH as being one of those individuals we might refer to as a rugged individual. For that he has had my wholesome respect at all times. He is a man of great ability, a man of character, a man of determination and conviction. He is the type of individual we do not like to see leave the public service which he so ably rendered in this House.

Not only was he a credit to the people of his own State but certainly to the Nation. He will be sorely missed here. But, those of us who have known him for so many years hope that he will have a most wonderful life in retirement and do the things he would like to do and enjoy both health and prosperity as the days go by. His district will always remember him as a man who served his country ably and well.

Mr. McINTIRE. Mr. Speaker, I yield to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Speaker, I, too, am sorry that WINT SMITH has decided to voluntarily retire from the Congress. Both his State and his Nation will miss him. In my opinion, WINT SMITH was a great conservative in accordance with the best traditions of America. And, I am sure that every vote that WINT SMITH cast on the floor of the House or in the committees on which he served was in defense of the spirit and substance of American liberty. I repeat, he will be missed by his State and by his Nation.

Mr. Speaker, I would like to join, too, in paying tribute to ED REES, who was, when I came here, chairman of that great Committee on Post Office and Civil Service. In those intricate subjects he was a master; he was my expert. All the time that I have been here I turned to him for advice in those fields. He was a good legislator, as well as an effective legislator. His State and the Nation will miss him, too.

Mr. McINTIRE. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I desire to join the gentleman from Maine [Mr. McINTIRE], and other colleagues, particularly those on the Committee on Agriculture, in this tribute to a great American and a distinguished and fine member of our committee and of this House and a personal friend of mine. Congressman WINT SMITH is, as many have already said, a rugged, real American in every sense of the term. He is a man whose word is as good as his bond. He has contributed much to this House. He is a person who pays tremendous attention to duty. I had the pleasure of going to Bogotá, Colombia, last year with WINT to a hearing conducted by our agricultural attachés from Latin America. It was a long and tiresome meeting, lasting several days, all day long every day I recall that WINT spent every minute and every hour of every day on the job on what some might term a junket. He put his heart into everything he did.

Mr. Speaker, I was not on the floor yesterday, and if the gentleman will indulge me just a moment, I would like also to say in wishing WINT well that I wish the distinguished gentleman from Kansas [Mr. REES], a long and useful life in retirement. It was my honor and privilege to serve on his committee in the 80th Congress when he was chairman of the Committee on Post Office and Civil Service. He was an able, distinguished, and fair chairman. He has been of great service to this House and to this country.

Mr. McINTIRE. Mr. Speaker, I yield to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Speaker, for 2 years I have had the honor of sitting immediately next to General SMITH on the Committee on Agriculture. He has taught me much about American principles. He has taught me more of unswerving allegiance to those principles. He has one question, Is that an American principle? And, if it is, he stands for it regardless of consequences. I have a great affection for this wonderful gentleman, soldier, and Representative, WINT SMITH, and shall always retain my affection and respect for him.

Mr. HOFFMAN of Michigan. Mr. Speaker will the gentleman yield?

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

Mr. HOFFMAN of Michigan. Mr. Speaker, courage is at least of two kinds. There is that courage which inspires one to meet physical combat. WINT'S war record is ample proof that he possessed that in immeasurable degree.

Then there is the moral courage which enables a man to stand up when criticized, when it comes thick and fast, untrue and without reason. And WINT had that. Though grievously hurt, he never faltered.

It was my privilege to serve with him as a member of the Committee on Education and Labor at the same time when it was my privilege to be chairman of the Committee on Government Operations. At that time the question of the need of an investigation of the activities of labor union leaders and racketeers came up. Extortionists were raising "heck" with our constitutional liberties. There was the question at that time as to which committee of the Congress had jurisdiction to make investigations, hold hearings. The Committee on Government Operations has jurisdiction over everything. Its jurisdiction runs across that of every other House committee, something which perhaps should not be permitted to continue.

Our committee appointed a three-man committee to investigate the question of whether the racketeers were in control of labor organizations. It was my privilege to be chairman of the committee. We induced the chairman of the Committee on Education and Labor, the gentleman from Pennsylvania, Mr. McConnell, to appoint a like committee of three members, which gave us five members, because it happened that it was my privilege to be a member of both committees. In that way we avoided the question of jurisdiction which had caused so much trouble in the other body and which finally ended there by the creation of the McClelland committee which has done a remarkable job.

At my request, WINT was named chairman of the joint committee and he began investigations in Detroit and elsewhere which, had they been permitted to continue, would have given us a much earlier light on the necessity for legislation disassociating the racketeers from the labor movement.

However, the author of "The Enemy Within," Bob Kennedy, took occasion in the very first pages of that publication to charge that WINT SMITH ended those hearings. There was absolutely no foundation for that statement. I know what I am talking about. This is not hearsay. There was no foundation whatever for that statement which was a vicious and a wicked one. The reason I know is because the chairman of the Committee on Education and Labor limited and gave WINT his orders. WINT was forced to obey his chairman. The statement that was carried in that book that WINT came back from a telephone conversation at Detroit and then closed those hearings on his own is absolutely false. He did not do it on his own volition. He did it because he was told that the authority of the committee would be taken

from him if he did not limit those hearings at that particular point. Other witnesses had been subpenaed but were not permitted to testify. I say that that was a vicious and unjust charge made against WINT. It could not help but hurt. WINT did not complain. Like the soldier that he was, he took it.

As to its effect, it had none among those who knew WINT, as we all did. He was a man of unequaled courage, dignity, and patriotism.

Mr. Speaker, I was not here yesterday when tribute was paid to our colleague, ED REES, of the Fourth District of Kansas.

When it was my privilege to come here 25 years ago, our colleague was a distinguished Member of this body. His office was on the east side of the New House Office Building, and the striking thing I soon observed was that, late at night, there was a light in his window, and our colleague, long after he should have been resting, was at work.

My hope, never attained, was to equal—I knew I could not excel—his record for able, continuous patriotic service to his people and the country. His friendship and encouragement were invaluable. He was an encyclopedia of information, and he never lacked courage to express his views.

I join, too, in the tribute paid to him a few days ago.

Mr. BOW. Mr. Speaker, I join with those who have spoken of the stature of WINT SMITH, of Kansas.

A great soldier, legislator, statesman, and most of all a wonderful friend. My service in the House has been made more enjoyable by WINT SMITH.

Most of all, Mr. Speaker, WINT SMITH has been a fine American; his country is better today because of him.

I wish him well and trust he shall visit with us often so that we may be able to have his sound judgment and sage advice.

Mr. TUCK. Mr. Speaker, I regret that our distinguished colleague from Kansas, the Honorable WINT SMITH, has seen fit to retire and thus terminate his service in the House of Representatives, but I am glad to join with my other colleagues in paying tribute to him in testimony of the high type of public service which he has rendered to the people of his State and Nation. I have known Congressman SMITH ever since I became a Member of this body and knew him beforehand by reputation. He is a patriotic American citizen, whose heart is attuned to the highest public good. He has the capacity to know the right from the wrong and, what is more, he has the courage to do the right even though at the time it may seem unpopular. WINT SMITH enjoys and is thoroughly established in the confidence and the esteem of his colleagues because of his sturdiness of character, his dependability, and his firm determination to keep our Government and our country on a sound basis. Too many of our public men of the present generation are more concerned with their own political preferment rather than the best interest of the country. We need more men of the type of WINT SMITH and I am saddened that he is leaving the Congress. I do hope that the judgment and the wisdom of the people of the great district which he represents will be such as to cause them to send a worthy successor as Representative of that district.

I have served for the past several years as Vice Chairman of the Civil War Centennial Commission and during that time WINT SMITH has served as chairman of the executive committee. I have watched him as he goes about the performance of his public duties with great interest and admiration. He is high minded and fearless, but gentle in his approach so that he never needlessly offends or wounds the feelings of others.

The ties of friendship existing between the gentleman from Kansas and myself are closing and binding. I shall ever cherish the memory of my associations with him, and the patriotic manner in which he has discharged his duties as a Representative in the Congress is of such a nature as to be of an inspiration to me. I wish him and his family all happiness in his retirement.

GENERAL LEAVE TO EXTEND

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the life and services of Congressman WINT SMITH.

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

There was no objection.

Mr. WEAVER. Mr. Speaker, it is with great pride that I join my colleagues in honoring the Honorable WINT SMITH, of Kansas, my good friend and neighbor, who is leaving Washington but not his life of service to his fellow men.

I have known and admired WINT SMITH ever since coming to Washington. I have admired his devotion to duty and his devotion to principles. But, Mr. Speaker, our association has not always been solely in the realm of legislative and political friendship. WINT SMITH and I have shared a love of sports and particularly baseball. In fact, on occasions he and I have joined at lunch with the star outfielder for the Washington Senators, Bob Allison. Those were indeed memorable events.

WINT SMITH is a man highly regarded by his colleagues. Those who were of the opposite political faith admired him for his devotion to principle. Those of us who felt as he did on many issues admire him as a dogged and determined fighter for those principles. He could not be and would not be swayed from the course if he felt he was steering a proper course based on principle.

Those principles were simple and fundamental to America or to any democracy.

One was freedom.

He feels that all Americans should be free to choose their own way of life. He does not feel that the Government should step in to guide them in the long course from cradle to grave, to counsel them at every turn and to dictate their every move.

He believes, too, that a bankrupt nation can do nothing for its people. A bankrupt nation, he feels, could neither protect itself nor stand as a bulwark against the aggression of world communism.

For that reason, WINT SMITH has always voted for the sound dollar. He has always voted against wasteful programs which fritter away the national resources.

He does not believe that as a nation we can spend ourselves rich. He does not feel that as a nation we can get something for nothing. He does not feel that the Government can give anything to anybody which it first has not taken from somebody.

For these reasons he scrutinized carefully every spending bill that came before the Congress. He looked painstakingly and with a skeptical eye at every new program which was offered to give somebody something. Somebody, he knew, had to pay for it. And all too often the somebody who was supposed to be getting something was the very same person who wound up paying for what he got—only a little more that somehow managed to wind up in the Washington bureaucracy.

In another area WINT SMITH has fought hard.

And that is for the American farmers.

WINT has told me many times that too many of the farm ideas generated here in Washington were conceived by people who did not know anything about farming. And WINT SMITH is a man who knows. He is a farmer and rancher. He is a good one, too. He has made farming pay and feels that, given a proper break, all farmers can make a good, honest and prideful living from the soil.

Mr. Speaker, WINT SMITH has decided not to seek reelection to the House of Representatives. This was his own decision and one which we, his friends tried to persuade him not to make. However, the decision has been made and he will not be here next year.

WINT SMITH will be sorely missed in the House. His words of caution will be missed by all of those serving here. And I, for one, will very much miss his wise counsel and advice and his helping hand. I also will miss the presence of a good and valued friend.

Mr. DORN of South Carolina. Mr. Speaker, WINT SMITH is one of the truly outstanding soldier-statesmen of our time. WINT SMITH as a soldier served his Nation and the free world with honor and distinction. The climax of his military contribution was reached when, with a handful of men, he stopped the German Ardennes drive cold in his sector in December 1944. WINT SMITH by superior ability, determination, and courage rose to the high rank of brigadier general. As a military man, WINT SMITH was a great admirer and believer in the strategy and policies of Douglas MacArthur, Al Wedemeyer, and the late Gen. George Patton. I remember visiting Gen. Douglas MacArthur in New York City with WINT SMITH. I remember well the affection, respect, and admiration General MacArthur held for WINT SMITH not only as a Congressman but as a soldier.

As a Congressman, WINT SMITH is a statesman always putting the welfare of the United States ahead of party and personal consideration. He is an Ameri-

can whose courage and foresight are reminiscent of the Founding Fathers of the Republic. WINT SMITH has always been absolutely fearless. He would not compromise principle. He fought here in the Congress untiringly and unceasingly for the Constitution, for the free enterprise system, for States rights, for his farm people, and to preserve the individual liberties of all of our people. He expressed confidence in the people's ability to govern at the local level. In his deliberations here he emphasized frugality, thrift, and independence for the individual as well as for the Federal Government. WINT SMITH was not afraid to stand alone. He would not hesitate to oppose his party when he thought the party wrong. He was not sectional but fought endlessly for the whole Nation. As a Congressman, he ranks with the very best in history; and in my 12 years in this body, I have never known or associated with a more patriotic, forthright, and able individual.

WINT SMITH has always fought communism above and beyond the call of duty. He could be found in his office Saturday afternoons and holidays thinking and working against this growing menace to our civilization. WINT SMITH realized early that appeasement and coexistence is the road to destruction. Many years ago he foresaw that this evil would even surpass the menace of fascism and nazism. He realized its worldwide revolutionary intent and its utter ruthlessness. WINT SMITH was never duped and hoodwinked by the liberals and pinks who so often advanced the cause of communism.

WINT SMITH'S efforts have been and are an inspiration to me. WINT SMITH will never retire from the arena. He will always fight for oldtime Americanism. He will fight communism, atheism, and centralization of our Government. I rank him in a very special category with Douglas MacArthur and the late Bob Taft as one of the very greatest men I have ever known. While I am going to miss him here in Congress, I know he will be standing up for freedom, liberty, and justice in his beloved Kansas.

Mrs. Dorn and my family join me in wishing for WINT SMITH and Mrs. Smith every future success and much happiness.

Mr. HOEVEN. Mr. Speaker, I deeply regret that my dear friend and colleague, WINT SMITH, is retiring from the Congress at the end of this session. I have enjoyed my close association with him as a member of the Committee on Agriculture of the House of Representatives. He was most faithful in attendance at committee meetings and he contributed much to committee discussion and in the enactment of farm legislation.

WINT SMITH is a rugged individualist who thoroughly believes in the Constitution and the free enterprise system. Honest, sincere, and firm in his convictions, he is the kind of a Congressman whom we hate to lose. Now that he voluntarily seeks retirement, he has my best wishes for good health, happiness, and success in the days that lie ahead.

Mr. GEORGE. Mr. Speaker, a number of years ago the gentleman from Kansas [Mr. SMITH] was my football coach and I have known him for many years.

At one time, Congressman SMITH resided in my home city of Kansas City, where he practiced law with the Honorable C. Clyde Myers, now a city judge.

When I first came to Congress, the gentleman from Kansas did not hesitate to advise and counsel with me, for which I was very grateful.

Although of the opposite political faith, frequently we agree on fundamental issues and I have never known of one instance where the gentleman from Kansas failed to take a stand, regardless of the consequences.

To this soldier-statesman goes my admiration and esteem and I join with his colleagues on both sides of the aisle in wishing he and Mrs. Smith a grand and glorious future.

Mr. JOHANSEN. Mr. Speaker, I share the deep regard of my colleagues who have spoken in tribute to WINT SMITH over his decision voluntarily to retire from this House.

Both as a military officer and as a Member of this House, WINT SMITH had occasion many times to take the oath of office in which he swore to "defend the Constitution against all enemies, foreign and domestic."

No man ever took that oath with greater sincerity and integrity of purpose, and no man was ever more diligent and dedicated in his devotion to that solemn commitment.

Defense of the Constitution of the United States was and is a very real and compelling obligation in the mind and heart of WINT SMITH.

I recall, as I am sure many of my colleagues do, occasions on which a discussion of some constitutional point arose in personal conversation with WINT SMITH. Invariably he would reach into his pocket and pull therefrom a small vest pocket edition of the Constitution which gave evidence of being often and well used.

In his brilliant service as an army officer, in his steadfast dedication to basic constitutional principles in this House, and most particularly in his persistent and unrelenting hostility to the vicious forces of international and domestic communism, WINT SMITH demonstrated over and over again his unqualified devotion to the Constitution and its defense.

For the privilege of his friendship and of service with him in this House, I shall always be deeply grateful.

Mrs. Johansen joins me in every good wish to Congressman and Mrs. Smith in the years ahead.

COMMITTEE ON RULES

Mr. McCORMACK. I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight tonight to file a report on the bill S. 3018.

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

There was no objection.

COMMUTER SERVICE ON THE LONG ISLAND RAIL ROAD

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, the Long Island commuter has not yet recovered from the 25-day strike by the employees of the Long Island Rail Road and he is threatened again, this time by a strike which not only will tie up the Long Island Rail Road but the entire Pennsylvania system.

The American people are sick and tired of the arrogance and public-be-damned attitude portrayed by Michael J. Quill, of the Transport Workers Union.

The excessive and unjustified financial burden, tremendous loss of time, expenditure of effort, harassment, and untold personal losses threaten again to be the lot of the hapless, helpless commuter. In the strike threatened for September 1, once again the commuter is in no way involved in the conflict between the carrier and Mike Quill, but he, the commuter, will be the one who will suffer most and profit nothing. And in the end, he will be the one who is going to pay out of his own pocket, whatever the cost of a strike may be. Whether he can afford it or not, he will foot the bill.

The gentleman from New York [Mr. BECKER] and I have introduced legislation offering help to the commuter. It proposes a sound, sensible solution. If the Congress will act on it, strikes such as that Long Island has just suffered, and that now threatened, will no longer be necessary and the railroad worker will be helped immeasurably—labor negotiations will have taken a long step forward.

With our proposal enacted into law, the commuter will be served, the railroad worker will be on his job, enjoying the full benefits of effective negotiation as well as his full salary.

Our proposal encourages voluntary arbitration and adjustment of dispute between carrier and employee. If such effort should prove unsuccessful, it provides for the creation of an impartial presidential board to investigate and decide the factors of the dispute. This decision will be binding.

In addition, protection is given both carrier and employee if it is indicated that the report does not conform to the requirements laid down by the Railway Labor Act, or if it does not conform to

the issues of the controversy, or if any member of the board is guilty of corruption or fraud.

Assistance to the people has been long delayed. The time to act is now.

CONGRESSMAN BECKER SPEAKS ON COMPULSORY ARBITRATION

Mr. BECKER. Mr. Speaker, I ask unanimous consent to extend my remarks in two instances at this point in the RECORD and include extraneous material.

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

There was no objection.

Mr. BECKER. Mr. Speaker, I have been reading the newspapers and am shocked to learn of a possibility of a strike of employees of the Pennsylvania Railroad. While the Pennsylvania Railroad does not operate within my Congressional District of Long Island, it is connected very vitally with the Long Island Rail Road, particularly in that the Long Island Rail Road trains must use the Pennsylvania terminal in New York City. On checking this matter, I am informed that the Pennsylvania Station would be closed to Long Island trains and, therefore, a strike of the Pennsylvania Railroad would cause the shutting down of the Long Island Rail Road.

Mr. Speaker, only a short while ago, we had a most devastating Long Island Rail Road strike that was in effect for 25 days. This forced some 200,000 commuters to reach their places of business in New York City and elsewhere by overcrowded buses and subways and driving their own cars each day. This method of transportation took tens of thousands of people sometimes 2 and 3 hours to reach their destination, either to business or coming home. The physical and mental torture suffered by Long Islanders, caused by the strike, can never be fully evaluated.

Therefore, a possible strike that would shut down the Long Island Rail Road again, indirectly through a strike of the Pennsylvania Railroad, is almost unthinkable. For this reason, my colleague from Nassau County, Congressman STEVEN B. DEROUNIAN from the Second District, and I introduced H.R. 13063 and H.R. 13061, respectively, on August 22, 1960, providing legislation calling for compulsory arbitration of railway disputes.

The bills would remedy present faults of the existing Railway Labor Act: First, they would set up machinery to get a decision on a dispute relative to wages and conditions; second, provide for a special Presidential Board to be appointed if dispute is not settled in 15 days and its report to be enforcible against both the railroad and the employees; third, the report may be impeached in the district courts in 30 days if found to be faulty; fourth, the proposals outlaw all strikes and lockouts under the Railway Labor Act with penalties for persons guilty of such activity; fifth, they authorize the district courts to issue injunctions against violations and threatened violations.

When a railroad strike occurs, it is not just between labor and management, the people are the ones most seriously injured. No employer or employee has the right to bring essential transportation to a halt. The bills will not interfere with the agreements between labor and management on wages or working conditions. Rather, they would set up an orderly method for arbitration and mediation, and promote speedy and just settlements.

Under this legislation, there would be no hindrance to labor or management in the exercise of their rights. No one can contend that there is any attempt in this legislation to restrict the rights of labor or management. It is designed only to preserve the rights of the public who find it necessary to use the railroads and thereby support the people who run them.

Mr. Speaker, I realize it is late in the session, but I urge that emergency action be taken to prevent another railway strike such as that of the recent Long Island Rail Road 25-day strike.

APPOINTMENTS TO MILITARY ACADEMIES

Mr. BECKER. Mr. Speaker, as have other Members of Congress, I had the privilege of selecting the highest caliber of young men for appointment to our various military academies. All of them have made good and are not only a credit to their country but to themselves and their families.

One of the finest young men I appointed to the Air Force Academy, in 1956, unfortunately, was honorably discharged due to physical condition that arose in his first year, something entirely out of his control. Having met with him after he returned home, I know how badly he felt, as if the world had dropped out from under him. Then I lost contact for awhile.

A few weeks ago I received a letter from him, datelined Israel, July 17, 1960, and I thought it was one of the finest things I had ever read. Not only does he deal with his appointment to the Air Force Academy, with his illness and eventual honorable discharge, but with the years that have transpired since that date. As he talks of trying to "find himself," he unfolds the story of how eventually he went to Israel. He paints a realistic picture of Israel, what he has found there in the past year, and expresses feelings that have generated in him for his own country, the United States. What it has taught him and how it has prepared him to meet the future.

I thought this was such a remarkable letter that I wrote and asked his permission to insert this in the CONGRESSIONAL RECORD so that people all over this Nation, young and old alike, could read the expressions of this very wonderful young man. I have made it a practice with all the young men I have appointed to the Academies to correspond with them during their years of cadetship. They have in turn corresponded with me and let me know how they are getting along. I have felt it part of my responsibility to keep in contact with them, and so on their holidays when they are home, they always visit me at my office.

I think anyone can see from reading this letter that he would have made a great officer and one of the future leaders of our U.S. Air Force. I regret that we have lost him in this capacity, but I know that he will make his mark in some field and a great citizen of this wonderful country of ours.

DEAR CONGRESSMAN BECKER: The coming and going of the 9th of July 1960, carried little significance in itself, but it was enough to exhume the memory of a July 9 of another year. July 9, 1956, saw my arrival in Denver, Colo., for the beginning of what I thought was to be a promising career with an exceptionally bright future. On that day, as one of your nominees, I entered the U.S. Air Force Academy.

That career died in its infancy, aborted by a perhaps unavoidable medical difficulty. The once bright future clouded over, and the sudden blow with its attendant shock set me adrift on a sea of aimlessness. Once, I had intensely wanted to serve my country in its skies and in the vanguard of its future space frontiers. Now I have been relegated to the realm of those who must walk the earth.

Yet, despite what has transpired, I nevertheless feel I owe you a debt of gratitude; a debt of gratitude for the priceless opportunity of service with the elite, that you once placed within my reach by nomination to the Air Force Academy; and a debt of gratitude for enabling me to receive the intensive, mind-building, body-building training—truncated though it may have been—afforded by this springboard of the space age. Because of this debt of gratitude, I feel that I owe it to you to let you know what became of one of your erstwhile "Academy Boys."

Permit me to backtrack a bit into the past. Officially, you knew what had happened. First, "Cadet Sternberg was granted 1 year's leave of absence," and then, last, "Cadet Sternberg, Alan L., has been honorably discharged from the U.S. Air Force Academy." But what did these staid official communiques mean in terms of personal feeling?

A series of unexplained, somewhat mysterious medical disorders dictated that the flight surgeon recommend a year's leave of absence, during which time further medical examination could be conducted by a specialist. I came home in September 1957. From September to May, my future as a cadet and as an air officer hung in the balance. Nine months of not knowing whether one's aspirations will be brought to a halt or will be allowed to continue causes no little below-the-surface strain, believe me.

On May 22, 1958, I received an honorable discharge from the Air Force Academy, for medical reasons. Although half-expected and vaguely prepared for, the blow was swift, sure, and sudden. It rocked me to my roots. It was as if a flash flood had washed out the road ahead of me and had carried with it half the soil from beneath my feet. I returned to my civilian studies, not knowing in which direction my path to the future lay. A year later, still a bit dazed and with motivation at low ebb, I suspended my studies. I needed time to regroup my wandering ambitions and energies.

I went to work as a U.S. postal employee. One day, I sorted from the incoming mail a brochure describing a work-study program, in Israel, for American students. This program, of a year's duration, located in a communal settlement on the border, would involve working half a day and studying the other half. The educational program ran

4 hours a day, 6 days a week, and devoted itself to intensive studies of the Hebrew language, and studies of Israeli history, culture, and geography. This program was to be supplemented with lectures by prominent people from economic, political, sociological, educational, governmental, and journalistic circles, as well as with extensive tours of the country, its cultural centers, its landmarks and historical sites, its agricultural and technical achievements. I became interested in the program, world travel, a brief vacation from the American scene, and a short stay in a historical land which has achieved and is achieving the near impossible, could be what was needed to revive and recharge motivation and drive. I applied to the appropriate agency, underwent the requisite examination, and was accepted. In mid-September of 1959, with a group of 20 American youths, I sailed for Israel.

I have been in Israel for 10 months now, and if I may, I shall digress to give a quick picture of what I have found.

In 10 months, I have traveled from the Negev in the South to the Galilee in the North, from the Judean Mountains in the East to the Plain of Sharon in the West. I have hiked over desert, mountain, and plain, into canyon, cave, and wadi; have stood at the borders of Jordan, Syria, Egypt, Lebanon, and Gaza; and have swum in the Mediterranean, the Dead, and the Red Seas. I have suffered the sticky heat of metropolitan Haifa and Tel Aviv; stumbled along the narrow streets of Holy Jerusalem and Nazareth; and looked across the border towns of Eilat and Metula. I have poked through ruins of ancient Jewish, Arabic, Roman, and Byzantine cultures; have listened to lectures on Jewish history; and have talked to people instrumental in making some of that history. These, then, are my impressions of Israel.

Israel is a tiny, rock-strewn plot of land that has the nerve to call itself a nation and the determination to back up the claim. The country is comparable in size to New Jersey, with a good half of it comparable to some of our coastal beaches. The population numbers little better than 2 million. There are probably more people on the street, on a Sunday, on New York City's East Side. But the experiences of the Israeli people are unlike that of any other similar group their size.

The Israelis have taken a harsh, barren, eroded land, neglected for centuries, and have forced it to support them and their aspirations. Land has been cleared, soil reclaimed, and swamps drained. Bare, rocky mountains have been covered with trees, crops for export raised in impossible places, and substantial villages, towns, and cities built where once existed wasteland (the thriving city of Tel Aviv was once a series of sand dunes). Miles of road and track have been forged through impossible desert and mountain; harbors have been built where none existed; and airfields have been put down where wild camels roam. The Israeli has had to pull his belt tight to accomplish these semimiracles.

Little Israel, the size of New Jersey, with some 2 million people, stocks her tables with an abundance of bread, many vegetables, plenty of eggs, and little meat. She stocks her stores with high-priced luxury items, high-priced clothing, high-priced household goods, and little that is low priced. Chocolate is a treat, french fries a delicacy, and ice cream a watered-down version of an American commodity. Hot water is sometimes, toilet paper scarce, and television nonexistent. In-city telephone communications is fair, between-city is worse, and oversea calls are impossible. Private cars are hard to come by, trains drag along, and buses double as freight trucks. (A bus will pick up anything from the passenger to his household goods and/or his flocks. Live chickens are common, and once someone managed to take on two sheep).

Surrounded by the hostile Arab League bent on her destruction, Israel is run by and lives on nerve. Her spirit is tough, unyielding, and seemingly boundless. Her citizens are a standing militia, and her 18–21-year-old boys and girls are her standing army. Her borders are fenced with barbed wire, mined with high explosives, and staked out with army and border police patrols. Her skies are crisscrossed by her air force of French-, British-, Canadian-, and American-make fighters, while the ground below rumbles to the practice maneuvers of her armored force of American, British, French, and captured Russian and Egyptian tanks and vehicles. Her communal settlements have their own armories, bomb shelters, and field fortifications. Yet, despite the necessity—as the saying goes—for every Israeli citizen to be a soldier on 11 months leave, these people go about their daily routine unworried by the threat poised at their borders.

Israel's population is a conglomeration of immigrants from some 75 countries, topped by a sprinkling of the native born. Her language is Hebrew, spoken with 20 to 30 different foreign accents. Her people work hard, live simply, read much, and think more.

A one sentence summary? Israel is a tough nation run by tough Jews—a new breed who refuse to retreat.

On September 26, I sail from Israel. I do not regret having decided to come, for it has been a year well spent. I have traveled, I have seen, I have questioned, I have listened, and I have learned. Perhaps for the first time, I have fully awakened to what you and your congressional colleagues have known of and have warned us about for years. From my forward observation post in Israel has come the awareness of some of the very real dangers confronting us of the West, the real dangers threatening our very security and freedom—the security and freedom we take so much for granted. Israel is a hotspot in the seething Mideast, the power plays of West versus East cause crises to erupt with volcanic force at a moment's notice. Middle East tensions are like tangible lines of force—pulling, pushing, twisting, tearing, warping, with never more than a moment of uneasy peace granted to relax the pressure.

Removed from the womblike security of vast America, with its great resources and superior, far-reaching technological achievements and advancements, the full threat to what we of America believe and stand for has been brought home to me with stunning force. Somehow this threat must be counteracted. Whatever it is within my limited power as an individual to do to help counteract that threat, I will do. My interest has always been in science—perhaps my path lies in that direction.

I shall arrive home with considerably more motivation than when I left. A tangible road lies before me, a direction in which to throw my energies. In the beginning, it will be a difficult road to walk. With two brothers in college, it will mean working a bit more than studying. But this is no more than what many of my contemporaries have had to face. I am sure that I shall succeed. I must succeed if I am to be ready with the rest of my generation to inherit the reins of leadership.

Sir, I have taken up enough of your valuable time. I hope I have been able to adequately sketch what has transpired with one of "your boys." The Academy and the Air Force as a doorway to service has been closed to me. But possibly this happened for the best, for now another perhaps more important door has been opened.

If just possibly there might be something I can do for you before I leave this part of the world, please do not hesitate to call on me.

With best wishes to your family, I am,

Sincerely yours,

ALAN L. STERNBERG.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees 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. 12326) entitled "An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and certain study commissions, for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 20 to the above-entitled bill.

OPERATION VERACITY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Arizona [Mr. RHODES] is recognized for 2 hours.

Mr. RHODES of Arizona. Mr. Speaker, this is the second day of Operation Veracity. I have had people ask me if we are attacking the Democratic Party. The answer is, We are not attacking the Democratic Party. I have had people ask me if we are attacking the veracity of the delegates to the Democratic convention. The answer is no, we are not attacking the veracity of the delegates to the Democratic convention. We are saying there are certain statements contained in the Democratic platform which are misstatements and which, whether intended to deceive or not, do in fact deceive the American people as to certain alleged facts.

As far as the delegates to the Democratic convention are concerned, those people had every right to believe that the platform committee had gone through the platform and pulled out any misstatements. Therefore, the delegates were not at fault if misstatements have occurred.

The Republican committee had a 6-man panel which, before the platform was taken before the convention, had gone through the platform and taken out any statements which could not absolutely be proved. If the Democratic platform committee had had such a panel, then this particular exercise would not be necessary. We regret that it is necessary, but in order to keep the record straight it is necessary.

For the information of the gentlemen of the House, I intend to yield to certain Members to cover certain statements which appear in the Democratic platform. I have 2 hours. I estimate

that the prepared statements will take 45 or 50 minutes to deliver. It will be my purpose to yield only to those persons who have prepared statements to give, but after that I will be most happy to yield to all Members of the House on both sides of the aisle, and there will be ample time to discuss all of the matters we intend to bring up today.

It is now my pleasure, Mr. Speaker, to yield to the gentleman from Minnesota [Mr. NELSEN], a former Administrator of the Rural Electrification Administration.

Mr. NELSEN. Two statements made in the Democratic platform directly attack the last 7½ years of Republican administration of the rural electrification and rural telephone programs. Those two statements are:

The Democratic Congress has successfully fought the efforts of the Republican administration to cut off REA loans.

It [the Republican administration] has sought to cripple rural electrification.

Regarding such statements, I suggest we look at the record of Republican administration of REA for the last 7½ years, compare that record with prior Democratic years and let the people draw their own conclusions. For 3½ years of the Republican administration it was my privilege to serve as Administrator of this REA program. The record is as follows:

MORE PEOPLE SERVED

About a million new consumers have been added to REA lines—an increase of 23 percent. Total consumers served are 4,653,502, compared with 3,769,426 on June 30, 1952.

REA now serves 97 percent of all the farmers in America, compared with about 90 percent when this administration took office.

The rural telephone program which is under the Rural Electrification Administration has boomed—more than a million telephone users have been added during this administration, whereas only 7,500 subscribers had been connected from the time the Rural Telephone Act went into effect in 1949 until the Republicans took over in 1953.

Does this sound like the Republicans are crippling the operations of the Rural Electrification Administration?

FARMERS PAY LESS FOR REA

By fostering a climate of cooperation in the power industry, this administration has reduced the average cost of REA power to 2.68 cents per kilowatt-hour, compared with 3.43 cents in 1952—a 21-percent slash in cost.

Federal power supplied to REA consumers has increased by nearly 5 times—going from 2.7 billion kilowatt-hours in 1952 to 9.1 billion kilowatt-hours last year.

Per farm consumption of REA electricity has almost doubled during this administration. By June 1959, consumption had risen to 317 kilowatt-hours, compared with 184 kilowatt-hours per month in 1952.

MORE "GENERATION AND TRANSMISSION" LOANS

In the last 7½ years, REA generation and transmission loans have more than matched the capacity authorized in the previous 17½ years of Democratic administration of REA. Of the total of 2,419,530 kilowatts of generated capacity approved under REA, 1,274,530 kilowatts of capacity have been approved under this administration.

REA CO-OPS IN BETTER SHAPE

Under the Republican administration, REA borrowers have achieved the soundest financial position in their history. The backlog of over $200 million loan applications pending when I became Administrator in 1953, was speedily cut to practically nothing. Today, more than $500 million in unadvanced funds are available for the asking. The delinquency rate among borrowers is lowest in the history of the REA program, and advanced payments on REA loans—payments ahead of schedule—are the highest ever.

CONCLUSION

More people served at a cheaper cost, lower cost of administering the program, and at the same time better service to the REA borrowers who are in the soundest financial position in their history, this is the record of the Republican administration of REA. This is the record not only to be presented now at election time, Mr. Speaker, but it is the record of solid administrative accomplishment brought about by continuous hard work in REA these last 7½ years.

As former Administrator of that great program, I feel confident that America's REA consumers are not now deceived by such misleading and false statements as those found in the Democratic platform.

Mr. McCORMACK. While I understand that our colleague, the gentleman from Arizona [Mr. RHODES] has stated that he would prefer not to yield until the conclusion of all remarks, perhaps the gentleman might yield at that point following a particular subject since I would like to ask one or two questions with reference to the REA, which the gentleman from Minnesota [Mr. NELSEN] has been discussing.

Mr. RHODES of Arizona. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman will admit, will he not, that the REA legislation was passed by Congresses controlled by the Democrats; is that not a fact?

Mr. NELSEN. The act was passed under President Roosevelt in 1936, but I will also suggest to the gentleman that the greatest and highest appropriation ever given to the REA was under the Republican 80th Congress which followed.

Mr. McCORMACK. But, the fact is that the REA was created by legislation sponsored by the Democratic Party and it is Democrat-sponsored legislation; is that not a fact?

Mr. NELSEN. I think it must be said, if one wishes to be accurate, that the REA program has bipartisan support in the Congress of the United States, and I do not think anyone can truthfully deny that.

Mr. McCORMACK. What does the gentleman from Minnesota have to say about the action of Secretary Benson in issuing orders that his subordinate shall pass upon all applications for loans, as I remember, over $500,000? What is the gentleman's answer to that situation?

Mr. NELSEN. I served as administrator of this program and I can say that no one ever interfered with the making of loans and no one has ever interfered with the administration of the making of loans under the succeeding administrator in this program, and the administrator so stated before committees on Capitol Hill. If it were true, as the gentleman from Massachusetts wishes to imply, that the administrator of this program has been curtailed in this connection, certainly, the record of accomplishment that I have set forth in my previous remarks would not exist today.

Mr. McCORMACK. Then why did the Secretary do that?

Mr. NELSEN. Under the act the Secretary is responsible for the program. Certainly anyone in an administrative position would never wish to fail to discuss the problems that the Secretary is responsible for.

There has never been any curtailment of loan applications of any kind, and there is no proof to that effect.

Mr. McCORMACK. We had proof before the committee that there was withheld for a long time applications, in order to impose conditions.

Mr. NELSEN. I do not think the interpretation that the gentleman advances is correct. I think the gentleman is misstating the facts as they appeared in committee.

Mr. McCORMACK. The gentleman happens to have been a member of the committee at the time, so the gentleman is relying on his memory. I think I have enough confidence in my memory of what took place before the subcommittee of which I was a member in the Government Operations Committee. The gentleman is aware that all REA organizations were much disturbed by the action of Secretary Benson.

Mr. NELSEN. That is not correct.

Mr. McCORMACK. The gentleman says that none of them were disturbed?

Mr. NELSEN. Some were led to be disturbed by some propaganda that came out of Washington, but the REA cooperatives throughout the country have been well served, and the record so indicates.

Mr. McCORMACK. The record before the committee was such as to justify a bill that was reported out which passed both branches of the Congress and which President Eisenhower vetoed. The gentleman is aware of that bill, is he not?

Mr. NELSEN. Very much so.

Mr. McCORMACK. So the committee found evidence that through administrative action Secretary Benson was attempting to hamstring applications of that kind; and, as I remember, over

$500,000 in applications, and through administrative action was attempting to circumscribe the intent of Congress as provided in the law. For that reason we reported out a bill and the President vetoed it.

Mr. NELSEN. The gentleman is making assumptions as to the evidence that was submitted before the committee. The performance of the REA does not substantiate the charge that the gentleman wishes to make.

Mr. McCORMACK. What the gentleman says after the hearing, after the bill was reported out and after the President vetoed it, administratively there was a relaxation, but as a request of Secretary Benson's action there was a limitation on the number of REA applications over a certain amount, over $500,000, as I remember. We had hearings in order to subscribe what Secretary Benson had done and in order to carry out the intent of Congress.

Mr. NELSEN. I do not agree there has been some relaxation since that act; there has never been a curtailment, but the Secretary has been carrying out the intent of Congress.

Mr. McCORMACK. As originally intended, but if it had not been for committee action that would not have happened; but prior to that there was.

Mr. NELSEN. The majority leader says there has been relaxation of that rule. That is not true, as the loans that have been approved by REA have increased. The charge that is presently being made is one that has been politically developed. The performance does not coincide with the charge.

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

Mr. NELSEN. I yield to the gentleman from Illinois.

Mr. PRICE. As the sponsor of the bill to which the majority leader referred and which was passed by both the House and Senate and then vetoed, and which failed by 4 votes to be passed over the veto, the idea for that legislation resulted from a desire to correct the situation in the REA caused by the Secretary of Agriculture. It had the result of direct interference with application for a loan in Indiana.

Mr. NELSEN. The gentleman wishes to imply that there has been interference regarding a loan in Indiana. There have been many loans that have been considered in REA that have been carefully examined. That is no pertinent point as far as I can see in the discussion.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I shall have to return again to my former announcement of my plan for yielding. I relaxed it in order to accommodate the majority leader. I will yield to other gentleman after I have proceeded as I had planned.

Mr. SMITH of Iowa. This is on that point.

Mr. RHODES of Arizona. I will be compelled to yield to the gentleman from Iowa who himself was so gracious in the matter of yielding yesterday. I yield to the gentleman.

Mr. SMITH of Iowa. I am sure the gentleman will admit that in speaking of appropriations they were made in circumstances which put them over and above what the administration requested and were in fact even resisted by the administration at times including a veto last year.

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

Mr. RHODES of Arizona. I yield.

Mr. LAIRD. That is incorrect. There has been no veto of any REA appropriation. There has been an increase in contingency funds carried in this year's bill. There was no increase carried by the Congress in the regular appropriations for REA.

The point we want to keep in mind here is that there has been a charge made in the Democratic platform as to the cutoff of REA loans. The record itself will show that in 7½ years, although REA has been in existence 25 years, 45 percent of all the loans have been made in the last 7½ years.

Mr. SMITH of Iowa. The record however shows that appropriations made last year for public works carried several millions for REA and that the bill was vetoed and passed over the President's veto.

Mr. LAIRD. The gentleman and I are speaking of different things.

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

Mr. RHODES of Arizona. I am sorry I cannot yield. When I have concluded my speech there will be ample time and I will gladly yield then.

Mr. SANTANGELO. That would be too late, for my question deals with this very matter that is being touched on now.

Mr. RHODES of Arizona. I yield to the gentleman from New York.

Mr. SANTANGELO. The charge at times is made that the Republicans have sought to cripple the REA. Is it not a fact that Mr. Benson, Secretary of Agriculture, proposed that interest rates for cooperatives be increased from 2 percent to a higher figure?

Mr. RHODES of Arizona. The facts are that the Secretary of Agriculture wanted to impose an interest rate paid by certain REA's more nearly in line with the interest rate which the Government itself has to pay on borrowed money.

Mr. SANTANGELO. I have no REA's in my district, but I do know that the Secretary appearing before a Subcommittee on Agriculture proposed to increase the rate of interest to 5 percent. Do you deny that the Republican Party through Mr. Benson proposed to increase the rate of interest to 5 percent on REA cooperatives?

Mr. RHODES of Arizona. I do deny that. It is not the situation.

Mr. Speaker, I now yield to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Speaker, I rise today to join with my colleagues on this side of the aisle in condemning some of the many inaccuracies which appear in the 1960 Democrat platform.

We have already dealt with several of these fallacies. Now, I should like to quote another incredible misstatement of fact which blindly distorts the labor policies of the Republican administration:

> Under Democratic leadership a sound national policy was developed, expressed particularly by the Wagner National Labor Relations Act, which guaranteed the rights of workers to organize and to bargain collectively. But the Republican administration has replaced this sound policy with a national antilabor policy.

Mr. Speaker, I cannot believe that any sizable number of my Democratic colleagues in this body subscribes to this falsehood.

Certainly they realize that the record of the Republican administration in this field has exhibited the greatest respect for the rights of the American worker.

Last year, Vice President NIXON and Secretary of Labor Mitchell brought about a settlement of the disastrous steel strike. Was this a manifestation of the administration's antilabor policy? If it was, that was lost on the president of the United Steel Workers who publicly stated his extreme satisfaction with the terms of the settlement.

Mr. Speaker, I challenge those who were responsible for this plank in the Democratic platform to cite one single antilabor act by this administration.

I challenge them to call the Landrum-Griffin bill an antilabor measure. This bipartisan legislation was framed for a single purpose—to protect the American worker and the American people from the greedy excesses of power-hungry labor bosses whose activities in the past few years have become an unbearable burden to all workers—to all Americans.

The 1960 Democratic platform recognizes this fact, for it states:

> Organized criminals have even infiltrated into legitimate business enterprises and labor unions.

It then launches into another fantastic charge by claiming that the administration has failed lamentably to deal with this problem.

Mr. Speaker, may I point out to the authors of the Democratic platform that they just cannot have it both ways. The administration acts against these evils and is called antilabor, or it does not and is accused of failing lamentably to deal with the problem.

Mr. Speaker, I wish to read into the RECORD achievements under the Eisenhower-Nixon administration—achievements which have brought a better life to the working men and women of America through high levels of employment, the highest standard of living with highest real wages, protection of rights of working men and women, strong enforcement of fair labor standards, wider unemployment insurance coverage, increased benefits in social security, and promotion of free collective bargaining.

First. Minimum wage raised; extension of coverage to several million additional workers repeatedly recommended.

In 1960, administration recommended increase in minimum wage.

Second. Average weekly wages in manufacturing up from $67.97 in 1952 to $91.60—an increase of 35 percent.

Third. Labor income raised 43 percent; as national income rose by $106.1 billion, compensation of employees rose by $82.4 billion.

Fourth. Unemployment insurance permanent coverage extended to 2.6 million ex-servicemen, 2.4 million Federal employees, and 1.2 million employees of small businesses.

Fifth. Temporary additional benefits granted to those whose payments had been exhausted during periods of higher unemployment.

Sixth. States stimulated to improve unemployment compensation benefits; since 1953 all States have made improvements in their laws.

Seventh. Railroad Unemployment Insurance Act strengthened by increasing benefits and extending periods of coverage.

Eighth. Improvement in industrial peace with 27.5 percent fewer strikes in 1959 than in 1952 involving 46.9 percent fewer workers (despite prolonged steel strike). The percentage of man-days lost from work stoppages cut in half compared to 7 years of last Democratic administration—1946–52, 8 percent; 1953–59, 4 percent.

Ninth. Safety standards for longshoremen and ship repair workers made by Labor Department.

Tenth. Comparisons of existing State safety services to assist States in improving their safety regulations and promote greater uniformity established by Labor Department.

Eleventh. Employment of older workers encouraged to meet crucial deficit in our human resources during the coming decade: 1.2 million older workers placed last year by public employment service.

Twelfth. Migratory farm workers' conditions improved by Federal stimulus to housing, transportation, child labor and crew leader legislation.

Thirteenth. Labor pension and welfare funds safeguarded through financial reporting to Secretary of Labor; legislation essential to make act effective and enforcible urged by Labor Department.

Fourteenth. Fair Labor Standards Act vigorously enforced—in 1959 had largest number of cases litigated in history—some 1,360.

Fifteenth. Employers violating minimum wage standards required to pay $60 million in back wages—20 percent more than comparable period under the previous Democratic administration.

Sixteenth. 300 firms and individuals ruled ineligible to bid on Government contracts for violating the Davis-Bacon Act and related legislation, contrasted to only 4 in the 17-year history of this law from 1935 through 1952.

Seventeenth. Landrum-Griffin Act enacted which guaranteed union members: (a) greater participation in determining their own affairs; (b) freedom of speech in union meeting; (c) protection against arbitrary dues increases; (d) free and fair union elections; (e) elimination of racketeers from labor-management relations; (f) protection of union funds.

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

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

There was no objection.

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

Mr. DEROUNIAN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. The conferees are meeting now on a minimum wage bill. The Republicans have three members on that committee. They could very well bring this conference report back here and let the Congress act on a minimum wage extension, an extension that your own President asked for. Are these men in opposing this compromise measure working for the best interests of the workingmen of America?

Mr. DEROUNIAN. I will say to the gentleman that Mr. KENNEDY, of Massachusetts, loudly proclaimed when he got back to this special session he was going to do all he could to bring the bill out. The House has already expressed its will on this legislation. The gentleman's party has a majority of the conferees. Does the gentleman want to tell me that before his party can control a majority of his party he must have a total Democratic membership in the House of Representatives? It would seem to me that with a majority of 127 Members, if you cannot control your own party it is a sorry spectacle for leadership.

Mr. RHODES of Arizona. Mr. Speaker, I yield to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Speaker, Operation Veracity seems to discover more and more misstatements of fact in the Democrat platform as our examination continues. Apparently the limit is that of time.

Let us consider this statement of the Democrat platform:

> We will erase the Republican slogan of "no new starts" and will begin again to build multiple-purpose dams, hydroelectric facilities, flood control works, navigation facilities, and reclamation projects to meet mounting and urgent needs.

It is flagrantly untrue to say that there is a Republican program or slogan of "No New Starts."

By the Bureau of Reclamation alone, there have been at least 24 new starts launched which were requested in the President's budget since 1953.

The Colorado River storage project passed in 1956 was the largest reclamation project approved in a single piece of legislation. The Republican administration requested it and gave it all-out support. The present Democrat candidate for President voted against it. I guess the Democrat platform writers, in their enthusiasm about the new frontier, forgot that fact, too.

Examples of "new starts" requested by and commenced under the Eisenhower Republican administration include the Little Wood River project, Idaho; Crooked River project, Oregon; Wapinitia project, Oregon; Yellowtail unit, Montana and Wyoming; Curecanti unit of the Colorado River storage project; Florida participating project in Colorado; Glendo unit in Wyoming; Hanover Bluff in Wyoming; Helena Valley project in Montana; Sargent unit, Nebraska; Ventura River in California; Collbran project, Colorado; Washita project in Oklahoma; Glen Canyon unit of the Upper Colorado River storage project; Flaming Gorge unit of Upper Colorado in Utah and Wyoming; Navaho unit, New Mexico; and Trinity division of the Central Valley project in California.

Now that we have shown the error in the first part of this platform statement, let us consider the second part, which says they would "begin again to build multiple-purpose dams, hydroelectric facilities" and so forth.

Virtually all of the projects authorized today are multiple purpose in nature. But there was not, Mr. Speaker, a single basinwide multiple-purpose project in the United States undertaken in the 8 years previous to the Eisenhower-Nixon administration.

Now, just how do the Democrat platform writers explain such errors of their pens? It does indeed seem that their "New Frontiersmanship" is merely a juvenile attempt at "Boyish Gamesmanship" of fact juggling.

Now the Democrat platform says they will begin to build again hydroelectric facilities.

With just a minimum of checking, they would have known that since 1953 this administration has placed in service 75 dams, providing 60 million acre-feet of storage capacity, and 18 powerplants having over 950,000 kilowatts of power capacity.

This is a fine record, but just as important, if not even more important to the taxpayers and to the users of electricity, private industry has been permitted to move forward with confidence, to furnish its full share of the new requirements for electricity.

The "brown-outs" of the previous Democrat administrations have been ended by the Eisenhower-Nixon administration.

Here is another fact that the Democrat platform fiction writers of course ignored:

Total acreage that can be supplied with irrigation water by reclamation projects increased from 6.9 million acres in 1952 to 8 million acres in 1959. The 53 projects authorized during this administration's tenure in office will provide an irrigation water supply for 1,330,000 acres of land in the 17 Western States.

Another milestone of the Eisenhower administration progress which the Democrat platform writers nicely ignored in regard to reclamation was the passage of Public Law 85–47, known as "The Small Reclamation Projects Act of 1956."

Mr. Speaker, I have principally dwelt on reclamation, because that is the area with which I am most familiar. A similar story might be told as to flood control projects. In the area of navigation facilities, I need only mention the St. Lawrence Seaway, which was, under the Eisenhower administration, made a reality instead of a political promise.

Mr. Speaker, I am indeed proud to be a member of a political party whose political philosophy, whose platform, and whose candidates take pride and pleasure in the great achievements of America and Americans everywhere. I am sure—indeed, I hope—that it is only a small minority in the other party who really subscribe to the desperation approach of the Democrat platform. Obviously, the Democrat platform writers are still searching desperately for an issue to cause American citizens to vote against their better judgment. Even that cannot be an excuse for such statements, that are so obviously without basis in fact, being found in a platform of one of our major political parties.

The American public will not be misled by such tactics.

Mr. RHODES of Arizona. Mr. Speaker, I now yield to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS of New Hampshire. Mr. Speaker, a group of my Republican colleagues in this body are taking part in Operation Veracity—the project to explore some outright untruths in the 1960 Democratic platform.

Several of these untruths have already been discussed, and I must say, Mr. Speaker, that they constitute a serious indictment of those who took part in the preparation of the Democratic platform.

The untruth which I plan to explore as my part in Operation Veracity is, in my opinion, the worst falsehood of all—that which claims:

> They [the Republicans] have admitted that the Soviet Union leads in the space race—and that they have no plans to catch up.

This is not only a falsehood, Mr. Speaker, it is a shameful reflection on those dedicated Americans who have achieved so much in space exploration in so short a time.

In my opening remarks, Mr. Speaker, I referred to this sentence as an untruth. Actually, the framers of the Democratic platform managed to accomplish a somewhat difficult feat—two falsehoods in one brief sentence.

Let my Democratic friends cite one single statement by an administration spokesman in which it is claimed that the Soviet Union leads in the space race.

Dr. T. Keith Glennan and others concerned with space exploration have repeatedly stated that the United States leads in all fields of space exploration and concede to the Soviet's superiority in only one limited field—rocket thrust.

As Vice President NIXON stated on January 16, 1960:

> The reason we are behind in developing the very large size rockets * * * is that we did little to begin our ballistic missile program until after President Eisenhower assumed the Presidency, whereas the Russians began in 1946.

In one day, Mr. Speaker, the United States accomplished the following feats in the space and missile field:

First. Sent into orbit the largest man-made object ever put into space;

Second. Achieved, at 25 miles up, the highest altitude ever reached by a piloted craft;

Third. Recovered, for the first time anywhere, an instrumented capsule sent into space;

Fourth. Shot a missile 5,000 miles dead to target;

Fifth. Launched a Polaris missile, designed for underwater firing, on a successful 1,100-mile test run.

In the light of these accomplishments, can anyone honestly say that the Soviet Union leads the United States in space exploration? Of course, they cannot.

Here is what a few foreign newspapers have to say about the subject:

> London Daily Telegraph: "The Americans may have found the way to control with precision the return of a weapon launched into space whereas the Russians have not."
>
> De Telegraaf (Amsterdam): "As far as the total of successfully-launched space objects goes, America has finally taken over the lead. * * * America's space successes mean Russia has been overtaken in the technical race."
>
> Die Welt (Hamburg): "This marks a decisive step toward manned flight in space."

Mr. Speaker, American accomplishments in space exploration have produced hard data that have proven invaluable in both the military and scientific fields. In contrast to this realistic effort, most of the Soviet accomplishments lacked scientific depth, providing mainly propoganda.

Here are some of the hard and impressive accomplishments of this administration, which have kept us ahead of Russia.

First. Twenty-six earth and solar satellites successfully launched by the United States compared to eight by the Soviet Union—as of August 1960.

Second. Fourteen U.S. satellites still in orbit—12 around the earth, 2 around the sun—Russia has just one each.

Third. Spectacular U.S. space firsts include:

First to land and measure the Van Allen radiation belts—the most important scientific discovery of the IGY.

First to photograph the earth from 300 miles out in space;

First to discover the pear shape of the earth;

First to recover an object intact from outer space;

First to orbit a communications satellite;

First to orbit two instrumented satellites at the same time;

First vehicle to start, shut down, and restart in space.

Fourth. Thousands of pictures of cloud formation have been photographed successfully by meteorological satellite Tiros I—a major step in observations of major storms and frontal systems.

Fifth. Pioneer V—one of the great scientific and engineering successes in history—set record for radio communications, 22.5 million miles.

The second part of this untruthful sentence, Mr. Speaker, in which the administration is charged with having "no plans to catch up" with the Soviets is also a false and irresponsible statement. Obviously it cannot stand up if the first part is false, which we have shown. But let me also point out that NASA has developed a well planned, well balanced, ambitious 10-year program calling for 260 shots—designed to insure that we remain ahead in the field of space exploration. This 10-year plan has been well publicized, and of course the Democratic authors of this untruthful statement must have been aware of it.

Time does not permit, but here are a few of the steps already taken under this 10-year plan:

First. National Aeronautics and Space Administration established to centralize space exploration administration.

Second. Project Mercury, the first step in manned space flight, moving at accelerated goal of successful completion in 1961.

Third. A new family of space launch vehicles, including the Thor, Atlas, Centaur, and the Saturn system, inaugurated—design, development, and testing under way.

Fourth. Worldwide tracking and data acquisition network developed to facilitate and coordinate space exploration efforts.

Fifth. New launching facilities constructed—more being built to enable United States to utilize at the earliest possible date heavier thrust vehicles and spacecraft planned.

Mr. Speaker, I believe that more is required, in the case of these specific untruths, than my exposé. I believe that the authors of this sentence owe an apology to those Americans whose dedication and perseverance have put us first in space.

I do not think I am asking too much in demanding an apology, Mr. Speaker. Those who wrote these sentences should be only too aware of the need to apologize when proven wrong.

Mr. WINSTEAD. Mr. Speaker, will the gentleman yield at this time?

Mr. RHODES of Arizona. Mr. Speaker, I have yielded to the gentleman from New Hampshire [Mr. BASS].

Mr. BASS of New Hampshire. Mr. Speaker, I believe that more is required in the case of these specific untruths than my exposé today. I believe the authors of this sentence owe an apology to those Americans whose dedication and perseverance have put us first in space. I do not think, Mr. Speaker, that I am asking too much in demanding an apology. Those who wrote these sentences should be only too aware of the need to apologize when proven wrong.

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

Mr. RHODES of Arizona. Mr. Speaker, the gentleman from Mississippi was not on the floor when I explained a few minutes ago that it is not my purpose to yield until all the Members have made their prepared talks. There are two more Members, and after about 10 minutes, we will have plenty of time to yield to all Members.

Mr. PRICE. The gentleman from New Hampshire asked a direct question. Two of the members of the space committee were present at the time, but could not remain on the floor. They have asked me to reply to the direct question asked by the gentleman.

Mr. RHODES of Arizona. I presume then that the gentleman from Illinois

will remain for about 10 more minutes so that that can be done.

Mr. PRICE. Mr. Speaker, will the gentleman yield to me for a unanimous-consent request?

Mr. RHODES of Arizona. I yield to the gentleman for a unanimous-consent request.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. BASS of Tennessee). Without objection, it is so ordered.

There was no objection.

Mr. PRICE. Mr. Speaker, in my years of service in this House I have never heard so much political hokum in one sitting. The fiction writers at the Republican National Committee must indeed be working overtime these days. The Republican Operation Veracity is distinguished by the its lack of veracity.

But let me address myself to the challenge of the gentleman from New Hampshire [Mr. BASS] and furnish him with the names of two outstanding leaders of the present administration who had something to say about the way our defense and space programs were and are being run. There have been others who have made similar statements before congressional committees, but since these two men, Trevor Gardner, Assistant Secretary of the Air Force under this Republican administration, and Lt. Gen. James M. Gavin, a member of the weapons systems, Department of the Army, were so disturbed by budgetary interference in research and development that they left their high positions to fight on the outside for recognition of the fact our Government should work to remove serious roadblocks to our scientific advancement.

The plain truth is there is no veracity in the Republican National Committee's Operation Veracity. In the prepared speeches of the few speakers who have so far appeared, untruth after untruth have been parroted, and have been successfully challenged by Members on the floor.

I quote from Trevor Gardner—until February 8, 1956, Assistant Secretary of the Air Force—in Life magazine for November 4, 1957:

> We have been running second best in the race with Russia for ballistic missiles because (1) we have refused to admit that national security is more important than balancing the budget, and (2) former Secretary of Defense Charles Wilson and Deputy Secretary Donald Quarles permitted the continuance of a hopeless administrative jungle. * * * This has strangled scientific thinking and performance. We have suffered a temporary defeat not because of the inadequacy of our scientists but because of the incredible ineptness with which we have managed our scientific resources.
>
> By the use of large injections of sedation, the American public was lulled into the happy dream that all was well with our American scientific and military effort and that there was no reason to fear that Russia could really ever overtake us. For those who prefer dreaming, the sedatives are again ready and available. We can all count upon an avalanche of science fiction stories, photos, releases, speeches, press conferences, diagrams, news releases and predictions—all designed to create the comforting illusion of American scientific and military supremacy. The formerly tight lid of censorship on ballistic missile firings has already been removed and series on series of quickly generated progress announcements by newly minted "missiles experts" are being rushed to the press.
>
> But what we really need is flying hardware doing our bidding in outer space. Sooner, not later. In the final analysis a beleaguered administration cannot change unhappy facts with happy words. Clear and concise action, taken with a minimum of delay, is the only answer.
>
> For those who prefer staying awake to dreaming it will be useful to know how our country was trapped into the present situation and how we can get out of it.
>
> Mr. Wilson and Mr. Quarles unquestionably served their private employers in American industry well and faithfully. But when they arrived in Washington, they were lacking in the imagination, the skill and the daring to lead American science and scientists to victory over the Russians. If, when in private business, they had allowed Russian telephones and automobiles to invade their markets, they would have been fired. It is hard to believe that President Eisenhower was ignorant of missile progress within the U.S.S.R. and of the stupendous and daring nature of the Soviet programs. It is equally inconceivable for him to have been unaware that our own ballistic missile program was being "managed" into intolerable delays by a dinosaur of an administrative system.

A quote from Lt. Gen. James M. Gavin, who for 10 years was closely associated with the development of national defense policy, as a member of the Weapons Systems Evaluation Group, Department of the Army staff, and in the search for tactical innovations in field commands.

The quote is taken from his book "War and Peace in the Space Age," copyrighted 1958 by Harper & Bros., New York, N.Y.:

> Immediately following Hiroshima and for a number of years thereafter our nuclear weapons program was well ahead of that of the Soviets. But this advantage is now disappearing, both in weapons and in their associated delivery systems. The New York Times on April 13, 1958, in reporting a talk given by H. Rowan Gaither [1] at the California Institute of Technology, reported him as saying: "The relative strength of the United States in comparison with the Soviet Union and Red China is ebbing." And while our strength is ebbing our obligations are increasing. Since Korea we have made numerous treaty arrangements, NATO and SEATO for example, that imply a responsibility to come to the aid of our allies in case of trouble. The skimpy forces that we do have are scattered worldwide—in the frontlines. We have no geographically placed reserves of the type that could deal with limited conflagrations to back up Korea, southeast Asia, the Middle East, or Europe. So far the talk about a fire brigade is just that—talk.
>
> Until our position improves, limited wars, if we were to be favored with them, would result in limited defeats—limited defeats that we would rationalize at the time but that would ultimately lead to general defeat, or to general war. Thus, by failing to provide adequately for something less than general war, by failing to provide for limited wars, we invite general wars, and such a war is one that no one will win. This is the great danger of the missile lag.

[1] H. Rowan Gaither is Chairman of the Security Resources Panel of President Eisenhower's Science Advisory Committee.

Mr. RHODES of Arizona. Mr. Speaker, I now yield to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I am privileged to associate myself today with my colleagues in support of what we describe as Operation Veracity. I might add parenthetically that I am pleased to note the presence on the floor today of many of our Democratic friends, more than we had yesterday, so at least we may be inspiring some interest on the Democratic side of the aisle. Also I want to say we appreciate our colleagues from our own side of the aisle remaining today to participate in this scrutiny that we are directing toward the platform written by the Democratic Party in Los Angeles.

Mr. Speaker, I feel further constrained to comment upon the fact that the chairman of the Democratic platform committee was advised nearly a week ago of the fact that this analysis of the Democratic platform was going to be made and made on a factual basis. We recognize that each party will disagree in respect to philosophy and ideals and we welcome this exchange of views to sharpen the views for the electorate.

By the chairman of the platform committee, Mr. BOWLES' absence yesterday, and again by his absence today, we can only conclude that he will not attempt to defend the platform written by the Democratic Party.

Mr. PRICE. Mr. Speaker, that is obviously an unfair statement. Many of us have been here and are here wishing to defend the platform, but we have not been permitted to have an opportunity to defend it since the gentleman has refused to yield at any point.

Mr. RHODES of Arizona. Mr. Speaker, I decline to yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. RHODES of Arizona. Mr. Speaker, I do not yield.

Mr. AVERY. Mr. Speaker, responsibility, veracity, and maturity will indeed be key words in the forthcoming presidential campaign. It is only natural that the American public will scrutinize both the party candidates and platforms to find an abundance or a dearth of these qualities. I think that is probably more so because of the colloquy we have had on the floor today and the one we had yesterday. We invite such scrutiny of the Republican platform. More particularly the facts that may be recited in it. Meanwhile, Operation Veracity will continue, not only on the floor of this House but throughout the fall months of the campaign. As its initial mission, our operation will continue to expose some of the untruths that, as we see it, are in the Democratic platform.

I would like to direct my remarks to this particular statement:

> Over the past 7 years we have watched the steady weakening of the Nation's transportation system.

This statement makes me wonder where the authors of the Democratic platform, the so-called "new frontiersmen" have been looking in the last 7 years.

I further note that there is present on the floor of the House today on my right, the chairman of the Transportation Subcommittee of the Committee on Interstate and Foreign Commerce. I have served on that committee for 4 years under the gentleman from Arkansas [Mr. HARRIS] and the gentleman from Mississippi [Mr. WILLIAMS], as chairman of the Subcommittee on Transportation, and frankly I thought our committee had done a pretty good job in a continued examination of our Nation's transportation system and had recommended to the Congress such laws as had been necessary and were deemed expedient not only to sustain but to guarantee additional expansion commensurate with our growth and our national needs. I think it is somewhat of a reflection on our Committee on Interstate and Foreign Commerce to say that the Congress or the administration has stood idly by to witness and preside over a weakening of our Nation's transportation.

To be completely honest, and I want to be honest, because we are expecting our friends to be honest with us, there is I think perhaps one particular area in which our transportation has deteriorated. There are fewer horses and mules in the country today than there were 10 years ago. In that area there has been some deterioration in our transportation. It may have been to that area that the Democratic platform was directing the Nation's attention.

I think there is some reason to come to that conclusion, because as I watched our friends' convention in Los Angeles they were still running on the so-called depression that existed under the Hoover administration, as though that were going to be one of the issues in the 1960 campaign. So if we are still going to use that particular issue in the 1960 campaign, perhaps it is reasonable to assume that the deterioration in the number of horses and buggies might also be another issue this fall, although I think there are probably other directions, where we should more profitably direct our attention this afternoon.

In every other area except the one just mentioned there has been a phenomenal growth in transportation since 1952. Following me, I understand will be by colleague from Illinois [Mr. DERWINSKI], who will discuss the development of the St. Lawrence Seaway, which I would classify as a very definite step in the growth of our transportation system.

I would like to remind my colleagues also that upon the Eisenhower administration's recommendation and under a Democratic-controlled Congress we authorized 41,000 miles of an interstate highway system, which very definitely augments our rail transportation system.

In the way of rail transportation I want to suggest that there has been spent since 1953 over $7 billion to improve the railroads of America. This sum was spent to modernize equipment and for further improvements of roadways and structures in addition to installing new signaling systems to improve the safety measures of the various systems. The same railroads added 360,000 new freight cars during this 7-year period as well as 2,000 passenger train cars and over 8,000 new locomotive units.

Railroad labor has also shared in the general improvement of the railroad industry. Admittedly due to automation and some readjustment in the rail systems the number of employees is somewhat lower. However, the wage scale for employees now working has advanced from an average wage of $1.76 per hour in 1953 to $2.59 in 1960. In addition to the present employees of the railroad system, the annuities of former employees have also been advanced in keeping with the increased standard of living. Whereas in 1959 the maximum monthly annuity for a retired railroad employee was $165 today it is $206.

There are many other areas I could recite for you but I do not want to impose at length on the time of the House. But just let me make a few brief statements showing the progress that has been made.

Let us take aircraft operations. Aircraft operations at the Nation's airports set a new record in 1959 for the sixth consecutive year. 1959 was the eighth consecutive year that the Nation's airlines maintained a safety rate of less than one fatality per 100,000,000 passenger miles.

There has been a 75-percent growth in overall revenue ton-miles in scheduled air service and an increase in total revenue passenger-miles from 15.06 billion in 1952 to 36.4 billion in 1959.

Mr. Speaker, I ask unanimous consent to extend in the RECORD these other accomplishments in the field of transportation since 1953.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. The largest U.S.-flag tanker, SS *National Defender*, launched.

Panama Canal enlargement is under way with deepening and widening of the canal.

Seagoing vessels are being replaced at a cost of $4½ billion.

Changes in the Interstate Commerce Act concerning ratemaking, filing of offers of rates, authorization of ICC to review the discontinuance of passenger train service, and elimination of procedural detail given impetus by 1955 Report of the President's Committee on Transport Policy and Organization.

Aviation weather research has been put on a substantial scale through cooperative of composite Federal agencies.

Computer program instituted to provide automation in air traffic control under way.

A program for forecasting air passenger and cargo traffic and capacity has been developed.

Low-fare, transatlantic "economy" air passenger service, was introduced on the North Atlantic in April, 1958, which by the end of 1959 had virtually replaced coach service.

There has been a 75 percent growth in overall revenue ton-miles in scheduled air service and an increase in total revenue passenger miles from 15.6 billion in 1952 to 36.4 billion in 1959 occurred.

Neutrality in policy between competing modes of transportation promoted to help maintain conditions and provide regulations for competitive equality for railroads and common carriers industries.

Federal Aviation Agency, established 1958, has made great contributions to air service—medical investigations now made in all significant accidents, training and proficiency requirements in flight instruments introduced for private pilots, new improved medical standards for airmen established.

Airport expansion and improvement has been pursued under the Federal-aid airport program—$380 million spent, obligated, or programed between fiscal 1953 and fiscal 1961.

Aircraft operations at the Nation's airports set a new record in 1959 for the sixth consecutive year, or that 1959 was the eighth consecutive year that the Nation's airlines maintained a safety rate of less than one fatality per 100 million passenger-miles.

The statement of the Democratic platform, then, reflects either that the new frontiersmen are blind to air, sea, and land transportation progress, and apparently think in terms of horse travel only. Or else, the platform writers do know these things and were intentionally being inaccurate. Either way, I think that most of the American public has had enough of the immaturity of these new frontiersmen.

I want to make one other observation: The Democratic platform in regard to transportation makes this one final conclusion:

> We will establish a national transportation policy designed to coordinate and modernize our facilities for transportation by road, rail, water, and air.

Mr. Speaker, I am glad that the Democratic platform writers belatedly subscribe to the measures that the Republican President of the United States undertook long ago. A year ago, in his budget message, President Eisenhower requested the Secretary of Commerce to make a comprehensive study of transportation to identify emerging problems, redefine the appropriate Federal role, and make such recommendations as are necessary to insure the balanced development of our transportation system.

This report was submitted to this Congress and it was too bad that the writers of the Democratic platform were unfamiliar with it.

Mr. RHODES of Arizona. I thank the gentleman from Kansas.

Mr. Speaker, I now yield to the very able Member from the State of Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, before I direct by remarks to the subject assigned to me I will say that the gentleman from Arizona [Mr. RHODES] should be heartily applauded by our good friends in the Democratic Party, for even though he was not invited to attend their convention in Los Angeles he has done them a great service by pointing out serious discrepancies in their platform through this Operation Veracity.

Mr. Speaker, I also join with my colleagues in support of Operation Veracity and in stern disapproval over the inclusion of numerous untruths in the Democrat platform.

The hearty, courageous Americans of the frontier days possessed above all, faith and hope in America. They were proud, not ashamed or ignorant, of the great achievements of their country.

At the Democrat Convention where their platform was written, there was much talk of a new frontier. But it was all mixed up with calling America second rate, with downgrading truly great progress.

This was not just true of their downgrading our great progress in space, where today we are far ahead of Russia, for example, in the number of earth satellites successfully launched, or in the military field, where Russia has no weapon which can compare with the capabilities of the Polaris. They did not stop here. They downgraded our economic progress in the very year we achieved a gross national product of over $500 billion.

No, they did not stop here.

They even had to downgrade the efforts of a truly great American, the President of the United States, in the field of inland waterways.

Here is one of the inaccurate, untrue statements of fact written into the Democrat platform:

> Development of our inland waterways, our harbors, and Great Lakes commerce has been held back by the Republican President.

They had the gall to make this statement a little over a year after our President, with the Queen of England, had formally opened the St. Lawrence Seaway.

They had the gall to make this statement after their presidential candidate had lined up against the St. Lawrence Seaway in his 1952 campaign.

All our Presidents since World War I had urged development of the St. Lawrence Seaway project, but may I emphasize that it was President Eisenhower's personal interest and the imagination of the Republican administration that finally brought about U.S. participation in this vital development.

To further refute their platform misstatement:

There has been an 80-percent increase in water commerce from 1952 to 1958;

The Eisenhower-Nixon team is having a study conducted to provide for 50 new harbors on the Great Lakes;

The total inland waterways commerce was four times as much in 1957 as, for example, in 1946;

Typical progress in Duluth, Minn., opening a $40 million public cargo terminal to world commerce;

Typical of progress was the intergovernmental shipping conference on U.S. shipping policies held in 1959.

Mr. Speaker, of special interest to me, representing as I do a midwestern district, may I point out that the Cal-Sag Channel project authorized in 1930, had its construction start in 1955. Just another example of the farsightedness of the Eisenhower administration's program.

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

Mr. RHODES of Arizona. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Did I understand the gentleman from Illinois to say that the Democratic Party presidential candidate had voted against the St. Lawrence Seaway?

Mr. DERWINSKI. My statement reads "had lined up against the St. Lawrence Seaway in his 1952 campaign."

Mr. McCORMACK. May I suggest to my friend that he look over the rollcall vote again? He stated on two occasions. I do not know about that. I am talking about the time the bill passed, which was only a few years ago. My recollection is that the gentleman might be mistaken in that respect.

Mr. DERWINSKI. May I advise the majority leader that I will be glad to check the accuracy of my statement. In addition, so there will not be any misunderstanding, I think we should both recollect that the St. Lawrence Seaway project was the subject of congressional controversy for many years.

Mr. McCORMACK. I voted against it myself, but I think my friend ought to check in connection with his statement that the Democratic candidate voted against that bill.

Mr. DERWINSKI. For the benefit of the majority leader and for the sake of the record I will check it, and if my statement is incorrect I will correct it.

Mr. PRICE. May I ask the gentleman where he received his information?

Mr. DERWINSKI. From statements on the subject involved.

Mr. PRICE. It has been guaranteed by the Republican National Committee that they would furnish you with an accurate statement?

Mr. DERWINSKI. The gentleman's implication is incorrect.

I think it is reassuring to see so many indications that the Democrat platform, filled with promises which cannot be kept, and filled with these grossly degrading, inaccurate statements of fact, was not well received by the American public.

I sympathize with my many fine colleagues in the other party in their disgust over this sort of performance. We all endorse the goals of peace with justice, prosperity, and progress. And I am sure that almost all of us really believe the means to achieve the goals is not to be found in degrading American achievements, or utilizing untrue statements of facts in hopes of a bit of political benefit.

Mr. Speaker, the plain truth is that due to the excellent record of the Eisenhower administration in the development of our inland waterways, and the tremendous impact that the St. Lawrence Seaway has on the Great Lakes region, Americans in the Middle West, and for that matter in the entire country, will benefit over the years by greater employment opportunities, with the corresponding increase in living standards that come with great commercial development.

Mr. RHODES of Arizona. Mr. Speaker, I yield to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, in an effort to set the record straight, in the light of certain false charges in the Democratic platform that deal with a subject with which I have specific knowledge as a member of the Committee on Public Works, it involves the question of the interstate highway program. And, I quote from the platform:

> The Republican administration has slowed down, stretched out, and greatly increased the costs of the interstate highway program.
>
> The Democratic Party supports the highway program embodied in the acts of 1956 and 1958 and the principle of Federal-State partnership in highway construction.
>
> We commend the Democratic Congress for establishing a special committee which has launched an extensive investigation of this highway program. Continued scrutiny of this multi-billion dollar highway program can prevent waste, inefficiency, and graft and maintain the public's confidence.

Briefly, I want to touch on the latter first. I happen to be the second ranking minority member on the Special Subcommittee of the Federal Aid Highway Program. There are only 6 minority members as compared to 13 on the majority side—an almost unheard of majority on any special investigating committee, having also been denied as a minority member the right to have counsel from the period of 1959 when this committee was established until early in March of 1960—any right at all to minority committee counsel or staff; and further, after this special subcommittee was established with this 13 to 6 lopsided majority membership the majority leadership in effect deposed the rightful chairman of the subcommittee, the chairman on roads, who knew the highway program and knew all about it and had been involved in litigation concerning highways for years and years, the gentleman from Maryland, the great Congressman, GEORGE FALLON.

Instead of appointing him, they appointed the gentleman from Minnesota as chairman of the subcommittee. Then we got into the so-called investigation which the platform had said itself indicates was intended to "prevent waste, inefficiency, and graft and maintain the public's confidence."

What actually happened? What great crusade was there to try to ferret out—and I for one readily admit there exist and I am apprehensive about these wrongdoings and loose practices in this $25 billion program. There are bound to be some, and it is our job to find out where they are, to uncover them and where necessary, see that the parties involved are prosecuted and otherwise to make certain that laws are amended to tighten up the loose practices in the highway program in order to maintain the public's confidence in it.

But, what has this subcommittee done? What is this great crusade for which this subcommittee was set up? Shortly after the passage of the Interstate Defense Highway Act, I was one of the first, along with the ranking minority member, the gentleman from Ohio [Mr. SCHERER], and along with the gentleman from Iowa [Mr. SCHWENGEL], in requesting that a surveillance committee be set up to keep track of what was going on in this program. What has happened with this great crusading subcommittee which was not set up until 1959 and which the Democratic platform says should be used for the purpose of maintaining the public's confidence in the highway program? They have had two investigations. And, I see the gentleman from Iowa [Mr. SCHWENGEL] on the floor, and I am delighted to see him here, and I would like to ask him to correct any remarks I make if they are incorrect. There have been two investigations. One of them was directed at the Bureau of Public Roads. It was an effort to try to show that a decision was made in regard to bridge clearance, that instead of a 17-foot bridge clearance, as the Department of Defense had recommended—and some of the majority apparently were in favor of it—they established a 16-foot bridge clearance.

Hearings were held. The committee never made recommendations to the contrary. That was one of the big exposes that had been previously announced that this committee was going into.

The second great expose dealt with the State of Oklahoma. And apparently some internal, largely political, problems were involved there. I must admit that there was considerable uncovered in Oklahoma that made me quite concerned. The Bureau of Public Roads took immediate action to do something about it, including withdrawing funds from Oklahoma, interstate funds, until employees who had not only been retained on the payroll after they had admitted to the local prosecutor that they were guilty of falsifying records, but as a matter of fact were given salary increases and were blanketed in under the merit system. This was subsequently brought to the attention of the local administration by the Bureau of Public Roads and the funds were withheld until those persons were fired, as they should have been in the first place. Those are the two exposes that have taken place.

I, for one, have been quite concerned about the fact that this committee has not been more active and has not been more effective in this field, and have so stated on a number of occasions.

We recently had an executive session, which I am not at liberty to discuss at this time, as it was an executive session. But I will say this, that despite the fact that our subcommittee at that time took action and voted that the staff should go ahead with investigations in some 6 States throughout the country where they had "substantial reason to believe" that there were wrongdoings—and I see the gentleman from Texas [Mr. WRIGHT] standing and I believe he will corroborate that this was the tenor of our action, asking that those investigations continue and that our committee be advised with regard to them and that hearings would be called as those investigations were completed. But let me say this at this time. We were advised by the chairman of the subcommittee—and I can only interpret this as resulting in the handcuffing of our committee and throwing a coldwater blanket on the investigating staff from now until election time—we were advised that the chairman was going to be busy campaigning and he did not feel he would be available for these investigations during this period. And my only interpretation of that is that apparently the committee and its staff will be handcuffed between now and November although, in my opinion, there are some things that deserve committee hearings.

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

Mr. RHODES of Arizona. If the gentleman will permit, I would like to have this statement finished first and then yield to the gentleman on the floor. This is the policy that has been followed.

Mr. CRAMER. Now with regard to the question of the Interstate Defense Highway System, with regard to the administration's attitude toward the highway program, it is a matter of public record, no one has to guess about it and there is no reason for anyone to misrepresent that record, because it is a matter of record.

I insert for the RECORD the official documents of the Bureau of Public Roads stating progress under the 1956 National System of Interstate and Defense Highways Act which disproves conclusively in and of itself the fallacious statement contained in that platform.

The quarterly report on the Federal aid highway program issued August 9, together with the remarks of Ellis Armstrong, Commissioner of Public Roads, of April 29, state factually the very gratifying and substantial progress being made on this greatest of public works programs in the history of the world. These documents show, for instance—this is a matter of record and I wish the gentleman from Texas would address himself to these points so far as the administration and its attitude concerning this program is concerned, when he gets the floor—these documents show, for instance, that in the 4-year period following the 1956 act, construction is underway or advertised on 5,394 miles on the Interstate System; that is, of the 41,000-mile system; 25,509 miles on the A–B–C system; and 172 miles under the D program, as provided for in the 1958 Accelerated Highway Program Act. This is a total of 31,075 miles under construction since 1956.

In addition, the record of construction completed throughout the country is substantial, realizing that there is approximately a 2½-year lead time required for actual construction and the records show that on the Interstate System 6,615 miles have been completed; from the A–B–C system, 89,686 miles; 11,938 on the D system; for a total of 108,239 miles.

A full summary of the progress of the Federal-aid highway program follows in table A.

It is further to be noted that the Eisenhower Republican administration has given the leadership an impetus to the accelerated program starting with the 1954 McGregor Act, which provided for approximately $1 billion a year for Federal-aid funds, the largest total ever authorized, and commenced the basic approach of pay-as-you-go highway users taxes, which became the foundation of the $25 billion 14-year program in the 1956 act. The appointment by the President, on the suggestion of Republican Congressional leaders, of the Clay committee, formed a basis for analyzing highway needs throughout the Nation and evolved the 41,000 mile Interstate System approach, while accepting the McGregor pay-as-you-go road user taxes concept. The McGregor bill was passed during a Republican Congress on the request of the Republican President. The President followed with recommendations resulting from the Clay committee report to the 84th Congress, and gave strong leadership and backing which resulted in the 1956 act. It was largely because of the President's strong leadership and the support he had among Republicans in Congress that the program enacted was a responsible one, providing adequate funds for construction, and the establishment of a trust fund, to be replenished with earmarked road user taxes, although there was tremendous Democrat pressure to finance the program out of the general fund.

If the gentleman from Texas has any remarks on that, I would be glad to hear them, because we discussed this in committee.

Mr. WRIGHT. May I inquire of the gentleman who has the floor at approximately what hour he anticipates he might yield to me? Otherwise I might want to make a point of order.

Mr. CRAMER. I would suggest to the gentleman that he just walked into the Chamber. I will be glad to yield in about a minute, if the gentleman from Arizona is agreeable to that. There are plenty of Members on my right who have been here much longer than the gentleman from Texas.

Mr. WRIGHT. The gentleman from Florida has been asking all these questions of me, and he gives me no opportunity to answer. I am afraid I am going to forget some of them before I get time to answer.

Mr. CRAMER. I notice the gentleman has been marking them down.

Mr. WRIGHT. I might have trouble reading my writing.

Mr. CRAMER. Again, in the 1959 and 1960 sessions of the 86th Congress, the President requested additional road user taxes to supplement the trust fund which had been depleted with the 1958 act increasing the authorizations as a special antirecession measure. With an additional $400 million on the A–B–C program, on a two-thirds Federal one-third State matching basis—this became the Democrat program—and a similar amount for the Interstate System without providing any funds for financing this accelerated program, the obvious result was the depletion of the trust fund and Congress has never, despite the President's repeated requests, accepted its responsibility and provided funds to replenish the depleted trust funds. Likewise, Congress added the Byrd amendment in the 1956 act which prevents the Bureau from apportioning funds that are not foreseeably available in the trust fund, which, together with the trust fund depletion, resulted in reimbursement planning and contract control.

Thus, as the following documents provide on the record, the Republican administration has been successfully pressing for the passage of the most successful and largest public works highway building program in the history of the world and, through the Bureau of Public Roads management, it is actually ahead of schedule, with the limited funds that Congress has made available and certainly if there is any program of which the Republicans can be proud from a standpoint of substantial accomplishment it is the national highway program, under the McGregor Act of 1954, and the Interstate and Defense Highway Act of 1956.

THE PROGRESS OF THE NATIONAL HIGHWAY PROGRAM

(Remarks of Ellis L. Armstrong, Commissioner of Public Roads, U.S. Department of Commerce, at chamber of commerce central highway committee luncheon meeting, Adolphus Hotel, Dallas, Tex., April 29, 1960)

This is my third visit to Dallas and my wonder as your amazing, dynamic, growing city continues to increase. Your accomplishments in Dallas are continuing to show the way to all of America. You have shown what can be done in our cities with wise, enthusiastic, energetic, farsighted leadership. I congratulate you.

We outsiders never cease to wonder at the vast scale of things in all of Texas. As Commissioner of Public Roads, I am particularly impressed. When the National System of Interstate and Defense Highways is completed, for example, you will have within your borders more than 3,000 of its 41,000 miles. You already have more mileage completed to full or acceptable Interstate standards, more open to traffic, and more under construction than any other State.

Since our greatly expanded highway program was inauguarted in 1956, construction contracts totaling about $185 million have been completed on the Texas segments of the Interstate System. In what we call the ABC program which started in a small way in 1916 and concerns improvement of the primary and secondary (or farm-to-market) roads, and their extensions into urban areas, $350 million in construction has been completed since 1956.

As you know, the Federal share of Interstate costs is 90 percent, and 50 percent in the case of the ABC program. It may be useful, in considering where our highway programs stand today, to review the evolution of American roadbuilding policies, and especially the terms of the partnership between the Federal Government and the States.

In the early days of the Republic, many roads were operated by turnpike companies chartered to relieve the States and localities of the burden of building and maintaining highways. The operators collected tolls from travelers. Although the roads are publicly owned, tolls are still a source of revenue over many stretches of modern highway, some of them on the Interstate System.

Since the Federal Government took a hand with highways, its policies have made almost a complete cycle. In the early years the National Government participated directly in the work. A provision of the 1802 act admitting Ohio to statehood set apart 5 percent of the net proceeds from the sale of public lands in the State for the construction of public roads leading from the navigable waters emptying into the Atlantic to and through Ohio. Of this, 3 percent was for roadmaking within the State and 2 percent for highways outside. The chief result was the famous Cumberland Road, which was constructed largely under the direction of Army engineers, and for which by 1838 a total of $7 million had been appropriated. A number of other highways were built by the Federal Government, many of them also financed through the sale of public lands.

Even before the final appropriation for the Cumberland Road was made in 1838, the Federal Government had begun to surrender sections of the road to States through which it passed. Gradually, Washington retired from roadbuilding, handing the job over to the States. They in turn left it increasingly to the counties or other local authorities, in whose charge it remained for years. One factor in the trend away from broad-scale highway planning was the rise of the railroads, which were relied on for long-distance transportation.

In 1891, another turn of policy was made when New Jersey enacted a State aid law under which the State, if prescribed conditions were met, aided the county and the property owners along the road by paying part of the cost. The policy found favor elsewhere, and many other States adopted similar systems.

In the days when counties, towns, and townships built and maintained public highways, they were used almost entirely for local traffic. The road supervisors were amateurs and the road crews were manned with statute labor, that is, men working out the road tax by contributing their own labor for 1 day or more during the year.

As a youngster in Utah, I remember riding on a road drag with my father as he worked out his yearly road tax. Actually the roads involved were used primarily by the farmers of the valley. Occasionally a brave soul from distant parts ventured through on the dusty, washboard, main highway, if you could call it that, but most of the traffic was local—and was financed by the local users, mainly by work supplied.

In 1916 the Federal Government again took an active part in highway building by helping the States. What is now the Bureau of Public Roads in the Department of Commerce had begun as the Office of Road Inquiry, a small unit established in the Department of Agriculture in 1893. For a score of years its activities were educational, and its only construction jobs comprised short object-lesson roads in various parts of the country. In 1912, Congress also authorized an experimental program of rural post-road construction.

By the time the Federal Aid Road Act of 1916 became effective, Federal highway policy had in a sense come full circle. Nationally, we were again building roads. In the 44 years that have passed since that time, the Federal Government's roadbuilding activities have increasingly centered in the Federal aid systems where we are the working partners with the State highway departments. Of course, we still do direct highway design and construction work in national forests, national parks, and other Federal lands.

The 1916 act authorized cooperation with the States, through their highway departments, in the construction of rural post roads, which it defined as "any public road over which the U.S. mails now are or may hereafter be transported, excluding every street and road in a place having a population, as shown by the latest available Federal census, of 2,500 or more, except that portion of any such street or road along which the houses average more than 200 feet apart." Although the kinds of highways built with Federal aid have greatly changed over the years, the 50–50 cost-sharing arrangement fixed in 1916 still obtains for the ABC program.

It was not until 1944 that the Interstate System was authorized. Congress then decreed, "There shall be designated within the continental United States a National System of Interstate Highways not exceeding 40,000 miles in extent so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico." The interstate routes were added to the Federal-aid system, but no special financing was provided.

The Department of Defense cooperated in the designation of the Interstate System, which includes the strategic routes of greatest importance to defense needs of the United States. In the 1954 act, Congress recognized that it was in the Federal interest to build the system to a high standard, and authorized the matching of funds on a 60 percent Federal, 10 percent State basis, with an additional allowance for States including large areas of Federal land from which they derived no taxes.

Congress and the executive branch and all of us all across America, increasingly recognized that highways were of national concern.

"There are two basic facts which are recognized and agreed upon by all concerned," said a House committee report on the Federal-Aid Highway Act of 1956. "First, the whole economy of the United States is directly dependent upon motor vehicle transportation. Secondly, we are failing to keep our highway systems adequate to meet our needs and the backlog of deficiencies required to be overcome has been and is constantly piling up at an alarming degree. Unless drastic steps are taken immediately we will fall farther and farther behind and traffic jams will soon stagnate our growing economy."

It was also realized that good highways were a necessity for defense. In 1955 President Eisenhower said in his message on the highway program, "In case of an atomic attack on our key cities, the road net must permit quick evacuation of target areas, mobilization of defense forces, and maintenance of every essential economic function. But the present system in critical areas would be the breeder of a deadly congestion within hours of an attack."

Accordingly, the 1956 act not only amended the name of the Interstate System to include "Defense" but increased the Federal share to 90 percent. As a practical matter, it

was recognized that projects on the Interstate System were, by their very nature, costly, and that it was of vital concern to all of us clear across America that they be completed as soon as possible.

There have been other evolutionary changes in the Federal-State partnership since the early joint building of rural post roads. We now grant aid to the States for construction on a system of principal secondary and feeder roads. We carry Federal-aid highways into and through the urban areas.

In the early days, State highway departments were prohibited from building or maintaining highways within incorporated cities, as was also the case with Federal-aid highway construction. The cities had for many years financed their street improvements out of benefit assessments and ad valorem property taxes. As motor-vehicle use increased, the State income from license fees and fuel taxes also increased, and a high proportion of the total tax income came from urban residents. There naturally arose a demand in the cities for a share in road-user taxes.

The States moved slowly in this direction. Maryland, in allocating 20 percent of the license fee revenue to Baltimore, was one of the first States to grant substantial urban aid. New York State made a similar grant to New York City as a part of the distribution of license fee receipts to counties. Several other States made concessions in the 1920's and 1930's.

The building of urban extensions of State highways in larger places also developed slowly. Major changes came in the National Industrial Recovery Act of 1933, which provided emergency funds for use on extensions of Federal-aid highways into and through cities, and in the Hayden-Cartwright Act of 1934, which permanently removed the restriction on urban projects.

The changes in State and Federal law and practice have brought a very great increase in the amount of money spent on urban connections of Federal-aid and other State highways. The policy of Federal and State responsibility for urban connections of primary highways has become firmly established. It has also been firmly fixed in law and practice for Federal-aid funds to be used on projects carrying Federal-aid secondary highways through cities.

This shift in emphasis toward the urban is quite in accord with the changes in our national life. Our cities contain about 100 million people, and the percentage is steadily increasing. About half of the total travel is within urban areas, and thus about half our highway user funds come from those sections.

As you know, most Federal funds are not expended directly, but are paid to States as Federal aid in reimbursement for work performed. The States also transfer to local governments about one-fourth of all State road-user tax revenues as State aid for local roads and streets. Taking into account these intergovernmental transfers, the States in 1960 will administer $7.2 billion of highway funds, or about two-thirds of the total.

Capital outlay (expenditures for right-of-way and construction) is estimated to reach $6.7 billion in 1960, slightly less than in 1959.

Highway construction expenditures (excluding right-of-way and preliminary engineering cost), are estimated to exceed $5.6 billion in 1960, a decline of about $140 million from 1959. Construction expenditures on the Interstate System will account for one-third of the total in 1960, and nearly three-fourths of the total will be expended on the various Federal-aid systems.

Before 1956, Federal appropriations for highway purposes were made from the general funds of the Treasury. The Federal-Aid Highway Act passed that year established the Highway Trust Fund from which highway payments are made. The law increased most automotive taxes and earmarked for the Trust Fund all those on gasoline, diesel and special fuels, tires and tubes, and motor vehicle use, and half the tax on new trucks, buses, and trailers.

A pay-as-you-go clause in the 1956 act limited apportionments that the Federal Government could make to the States to amounts that the Trust Fund could support. In 1958 Congress suspended this limit, increased the authorizations for Interstate and ABC, and as a special antirecession measure provided $400 million on a two-thirds Federal, one-third State matching basis for immediate road improvements.

The result was that we were forced to live beyond our income. When the pay-as-you-go clause came back into effect last year, the Interstate program was threatened with a halt as far as any new work was concerned unless additional funds were provided. President Eisenhower recommended a 1½-cent increase in the Federal motor-fuel tax for 5 years. In a compromise, Congress voted a 1-cent increase through the fiscal year 1961, to be succeeded by the earmarking of additional sums from motor-vehicle excise taxes through the fiscal year 1964. This legislation made it possible to keep up the Federal-aid programs without too serious a slowdown, but demanded some careful planning on reimbursements to the States. In effect, the situation limited the amount each State could obligate from its available apportionment and still be sure of payment of the vouchers when they came due.

Public Roads was able to apportion $1.8 billion to the States for the Interstate program in the fiscal year 1961, and expects to be able to apportion $2 billion for 1962 on the basis of present revenues.

In his budget message this year, President Eisenhower renewed his recommendation of the full 1½-cent fuel tax increase through 1964. He said this would permit the Interstate construction program to proceed at a higher and more desirable level. No action has been taken on this recommendation.

In the first 3½ years of the new program we have completed over 102,000 miles of construction work on our Federal-aid systems, including nearly 21,000 bridges, at a construction cost of over $8 billion. This road-building record includes almost 6,000 miles of construction on the Interstate System. We have construction underway on 25,000 additional miles of which 4,600 miles are on the Interstate System. During this 3½-year period contracts were let for approximately $14 billion on Federal-aid highways.

These improvements already have made a significant contribution to highway safety and efficiency in America. More than 7,570 miles of the 41,000-mile Interstate System are now open to traffic, including toll and free roads incorporated into the System.

We now have over 10,000 Federal-aid construction contracts underway involving nearly $6 billion.

It is natural that among all the people involved in one way or another there are a few who try to chisel, to make a fast highway buck. But it does not seem to me that the very few real instances of shenanigans justify the broad allegations that have been published about the Interstate System being in "trouble" or "a mess." It is most unfortunate that relatively trivial incidents have been magnified from molehills to mountains and that some wild reports have been interpreted as facts, while the great accomplishments have been overlooked.

In the Federal-State road partnership the State carries the responsibility for initiating the projects, programing the work, doing the detail design, and supervising the construction, subject to approval of each step by the Bureau of Public Roads. The States pay the contractors and then submit vouchers to the Bureau of Public Roads for reimbursement of the Federal share. The relationship is a partnership to assure construction to high standards and protection of public moneys. Actually, the large number of checks and counterchecks that are built into the program assure a good measure of protection.

Each State, of course, has regular inspection and auditing machinery of its own to keep tight rein on the expenditures of the various State departments. Then the regular inspection and auditing machinery of the Bureau of Public Roads has served as additional safeguard for many years.

Nearly every project receives engineering inspections during construction and all projects undergo a final engineering inspection and a final audit which are completed before the States get full reimbursement for the Federal share. The Bureau engineers' progress reports of interim inspections guide the auditors in approving progress payments.

The audits are prepared in the division offices that the Bureau of Public Roads maintains in all the States. They are forwarded to the regional offices (each region comprising four or more States) for review before amounts due the States are certified to the U.S. Treasury disbursing officers for payment.

In view of the magnitude of the Interstate program and the 90-percent Federal share, an additional safeguard was set up by the Federal Highway Administrator, Bertram D. Tallamy, shortly after he took office in 1957. This is the Project Examination Division of the Bureau of Public Roads. Since 1957 the Bureau has referred to the Department of Justice a dozen or more cases of irregularity investigated by the Project Examination Division.

The division is headed by a staff man of long experience, who is an accountant and a member of the bar. It has conducted general reviews of the Bureau's own field offices and the State highway departments in 44 States, and expects by July 1 to have examined all 50.

In a general review of State operations, a team of about six persons samples financial records that bear on the use of Federal funds, spot checking contracts and arrangements with consulting engineers. Three of the men who head these teams are former special agents of the FBI. In addition to the director, a team may include an engineer, two accountants or investigators, and a real property specialist.

If there is any indication of fraud, the team director has his men investigate the matter on the spot or he may bring in other specialists.

The Bureau of Public Roads often receives tips from independent sources on alleged wrongdoing. It makes a special review in such a case, sending one or more engineers or other specialists, their selection depending on the nature of the suspected irregularity.

Believe me, the Bureau of Public Roads is not indifferent to the loss of any tax dollar, whether it is State or Federal. But we must not forget that this is a cooperative Federal-State program. Complete domination of every aspect of the program by the Federal Government would amount to duplication of effort, would endanger the historic partnership and would be wasteful of public funds—both Federal and State.

A special subcommittee of the House Committee on Public Works, headed by Representative JOHN A. BLATNIK, of Minnesota, was appointed last November to investigate the Federal-aid highway program. The announcement of its appointment mentioned "information received by the committee alleging deficiencies, wasteful extravagance," and other matters. The Blatnik group can perform a valuable service to the highway program if, through its power of subpena and independent review, it points out areas where State and Federal controls should be strengthened.

We fully expect that instances of human error and attempted profiteering will be turned up by the committee, as well as by the Bureau's own forces. It would be naive to expect a multibillion-dollar program involving probably 1½ million people in various capacities—to proceed without such instances.

It is a credit to the Bureau and the States that the program has been so free of wrongdoing. Both the Bureau of Public Roads and the State highway departments are staffed by hard-working, dedicated people whose careers are bound up with the success of their joint undertaking. Their record of advancement in a very difficult and trying job is one of which all Americans can well be proud. It would be a sad commentary indeed in our America if they should become victims of irresponsible gossip and misleading headlines.

Besides the allegations of dishonesty, there has been some talk about carelessness, laxity, and waste. When charges of extravagance are specific, I have yet to see any that have stood up under examination.

It must be remembered that Congress has ordered the Interstate System to be built to carry the kinds and volumes of traffic expected for 1975. And it is good economy and good sense to build for the days ahead. Real waste and extravagance would be to build something that became obsolescent the day the opening ribbon was cut. Surely we are thinking enough and farsighted enough to plan and build adequately for our dynamic, growing America.

The interstate network, which is to carry 20 percent of the country's traffic on its 41,000 miles, is bound to be costly. It averages nearly $1 million a mile.

The real cost of highways is measured by the cost of highways per vehicle mile of travel. On our urban interstate routes, which cost the most per mile of construction, the returns are the greatest. Here actual travel is the most economical as the vehicle mile cost of the highway will be about a half cent. This compares with about three-fourths of a cent on the Federal-aid primary system, other than interstate, an overall average of all roads of nearly 1 cent and a cost of 1½ cents per vehicle-mile on the farm-to-market roads.

A dirt road would be cheaper than a four-lane surfaced highway, but in an area of high traffic volume it would be a waste of anybody's taxes. What may seem extravagant from one point of view is true economy from another. Perhaps a heavy car is wasteful for one purpose, but not for others. Perhaps taking a toll road and also paying gasoline taxes is wasteful for a traveler on a leisurely vacation trip, but not to a businessman who wants to get to an appointment quickly and without fatigue.

The Interstate System is to be a permanent national asset, and must be built for the future, to the high standards Congress prescribed. While watching quality, the Bureau of Public Roads at the same time looks for chances to stretch the highway dollar. The Bureau's annual report for 1959, which was published recently, recounts estimated savings of nearly $55 million achieved in that year through modifying conventional highway design in the interest of economy at no expense to the safety, comfort, and convenience of the traveling public. Bureau engineers worked out the modifications with State engineers during the design stages of Federal-aid projects.

In all the criticism of the vast highway undertaking, I have heard no serious demand that it be stopped. There is agreement on all sides that the Interstate System must be completed. The sea of trucks and passenger cars bears down on our inadequate highway channels in ever greater waves.

We have the engineers, the contractors, the machines, and the materials. The chief need is a permanent solution of the question of finance, on a basis that is fair to those who use the highways directly and those who do not. The present revenues of the highway trust fund have caused a moderate slowdown in construction. Next year, Congress plans to review the whole picture.

There will then be available a wealth of basic background information on which the Bureau of Public Roads and the State highway departments are working. An up-to-date estimate of the cost of completing the Interstate System will have been just completed. Other extensive studies will present benefits that highways bring to the various classes of users, as well as nonusers, so that Congress can consider the best and most equitable distribution of the cost of the long-range program. Extensive data will show the incremental costs due to different users of the highway system.

This I believe: The development of the Federal highway policy in the long partnership with the States is sound and is the best way possible to obtain our objectives of an integrated, high-standard, optimum, highway system to meet our evermounting traffic demands. The present program is geared to meeting the needs of a dynamic, growing America and is making great strides. I have great faith in the integrity and ability of the thousands of dedicated men and women who are carrying out the program. There are great days ahead.

QUARTERLY REPORT ON THE FEDERAL-AID HIGHWAY PROGRAM, JUNE 30, 1960

More than 9,100 miles of the 41,000-mile National System of Interstate and Defense Highways are now open to traffic and construction is underway on another 4,700 miles, Federal Highway Administrator Bertram D. Tallamy announced today.

Information as of June 30, 1960, compiled by the Bureau of Public Roads, U.S. Department of Commerce, showed that 250 miles of the system were completed to final standards during the last 3 months.

"The actual mileage in use by passenger and commercial vehicles rose from 8,855 as of March 31, the date of the last survey, to 9,107 as of June 30," Mr. Tallamy said. "Thus, well over one-fifth of the Interstate System is now open to traffic and new mileage is being completed rapidly as the construction season nears its peak."

The Interstate System will be the Nation's key highway network, serving both civilian and defense requirements, and carrying about 20 percent of the total traffic. The Federal-Aid Highway Act of 1956 required the system to be designed to accommodate the traffic needs of 1975 and assumed completion of the system by 1972.

Of the 9,107 miles of the Interstate System now in use by motorists, 3,693 miles were completed to standards adequate for 1975 traffic, and 3,140 miles were improved to adequacy for present traffic but will need additional improvement to bring them up to the standards for 1975. Toll roads, bridges, and tunnels incorporated in the system, as permitted by law, totaled 2,274 miles.

Almost half of the mileage open to traffic, 4,386 miles, has been built or improved under the Federal-aid interstate program, most of it on the 90-percent Federal, 10-percent State sharing program launched in 1956. Work on the remaining 2,447 miles (other than toll facilities) was financed by the States and localities, mostly before 1956, under other programs—in many cases with Federal aid.

In addition to the sections open to traffic, 4,690 miles were under construction with interstate funds as of June 30, and engineering or right-of-way acquisition was in progress on another 10,093 miles. Thus some form of work was underway or completed on 23,890 miles of the 41,000-mile system—over half of the total.

Under the controlling Federal legislation, each State receives a yearly apportionment of Federal Interstate funds for work on approved Interstate System routes. The apportionment of $2.2 billion for fiscal year 1962 was announced on July 26. The scheduling of preliminary steps and actual construction on the interstate routes is the responsibility of the States, subject to approval by the Bureau of Public Roads.

The status of the Interstate System as of June 30 is shown on the accompanying map, and in detail by States in table I. In summary, the status is as follows:

Mileage improved and open to traffic:	
Completed to full or acceptable standards:	
With interstate funds	3,141
With other public funds	552
Total	3,693
Improved to standards adequate for present traffic but additional improvement needed to meet full standards:	
With interstate funds	1,245
With other public funds	1,895
Total	3,140
Toll facilities	2,274
Total mileage improved and open to traffic	9,107
Mileage under construction with interstate funds	4,690
Preliminary engineering or right-of-way acquisition under way	10,093
Total mileage improved or work underway	23,890

Nearly $9 billion has been put to work on the Federal-aid interstate program since the accelerated program began, 4 years ago. Work completed since July 1, 1956, has cost $3.61 billion, of which $2.76 billion was for construction and $853 million for engineering and right-of-way acquisition. As of June 30, 1960, work estimated to cost $5.09 billion was underway or authorized, including $3.33 billion of construction and $1.76 billion of engineering and right-of-way acquisition. Interstate financing data, by States, are reported in table II.

The continuing program of Federal assistance for the improvement of the Federal-aid primary and secondary highway systems and their urban extensions (the ABC program) has also shown remarkable accomplishment, with more than $9½ billion worth of work involving over 126,000 miles of construction contracts completed or underway.

Construction contracts involving 100,100 miles in the ABC program have been completed since July 1, 1956, at a cost of $6.14 billion; and contracts involving 25,912 miles at a cost of $2.70 billion were underway on June 30, 1960. In addition, $427 million of engineering and right-of-way acquisition work had been completed and $275 million worth of such work was underway. The ABC program is financed by the Federal Government and the States on an equal-share basis. Data are reported by States in table III.

The highway trust fund, source of Federal funds for the Federal-aid highway program, received over $683 million of tax revenue income during the 3 months ended June 30, 1960, about four-fifths of it from the taxes on motor fuel. Disbursements for highways during the period amounted to nearly $552 million. For the entire fiscal year 1960, the total trust fund excise tax revenue was more than $2.5 billion, and disbursements for highways were over $2.9 billion. The status of the trust fund is shown in table IV.

TABLE I.—*National System of Interstate and Defense Highways—Status of improvement as of June 30, 1960*

State	Open to traffic								Work in progress with interstate funds			Remaining mileage	Total designated system mileage
	Completed to full or acceptable standards			Improved to standards adequate for present traffic			Toll facilities	Total open to traffic	Under construction	Engineering or right-of-way	Total underway		
	With interstate funds	With other public funds	Total	With interstate funds	With other public funds	Total							
Alabama	8.0		8.0	19.4	32.1	51.5		59.5	237.5	123.1	360.6	453.8	873.9
Alaska													
Arizona	166.5	0.2	166.7	68.7	278.3	347.0		513.7	41.1	130.1	171.2	476.3	1,161.2
Arkansas	38.4		38.4		2.8	2.8		41.2	76.3	384.1	460.4	16.1	517.7
California	123.0	22.1	145.1	167.8	177.2	345.0	18.9	509.0	111.3	1,063.6	1,174.9	498.9	2,182.8
Colorado	94.1	4.3	98.4	63.3	39.3	102.6		201.0	98.0	113.1	211.1	537.8	949.9
Connecticut	16.8	71.1	87.9	5.6	18.1	23.7	19.5	131.1	28.8	110.7	139.5	27.2	297.8
Delaware	.6		.6	.6		.6	2.3	3.5	.7	27.2	27.9	9.1	40.5
Florida	40.6		40.6				42.4	83.0	141.0	65.5	206.5	852.7	1,142.2
Georgia	26.0	17.5	43.5		89.0	89.0		132.5	147.4	135.4	282.8	696.1	1,111.4
Hawaii													
Idaho	15.1		15.1	23.8	37.4	61.2		76.3	90.4	197.9	288.3	246.2	610.8
Illinois	76.4	20.3	96.7	23.3	133.2	156.5	151.5	404.7	169.4	527.9	697.3	484.3	1,586.3
Indiana	12.0		12.0	3.9	2.8	6.7	156.9	175.6	125.1	304.2	429.3	513.9	1,118.8
Iowa	103.4		103.4	21.5		21.5	3.8	128.7	121.9	218.7	340.6	239.4	708.7
Kansas	95.8		95.8	16.0	46.5	62.5	187.1	345.4	86.0	62.8	148.8	306.9	801.1
Kentucky	19.4		19.4		8.5	8.5	40.0	67.9	101.7	154.7	256.4	373.1	697.4
Louisiana	14.4	2.9	17.3		.8	.8		18.1	101.0	245.4	346.4	315.8	680.3
Maine	11.3	.9	12.2		3.0	3.0	59.8	75.0	42.7	27.7	70.4	166.6	312.0
Maryland	27.0	32.5	59.5	15.8	29.1	44.9	10.5	114.9	17.4	189.4	206.8	32.2	353.9
Massachusetts	22.5	5.4	27.9		27.3	27.3	126.5	181.7	65.7	67.1	132.8	147.4	461.9
Michigan	133.0	127.1	260.1		5.0	5.0	4.9	270.0	178.9	289.3	469.1	335.4	1,074.5
Minnesota	16.2		16.2	56.3	6.3	62.6		78.8	73.8	240.6	314.4	499.6	892.8
Mississippi				15.3	13.8	29.1		29.1	216.2	102.5	318.7	324.1	671.9
Missouri	46.7	1.9	48.6	88.4	168.1	256.5	3.0	308.1	100.6	648.1	748.7	43.5	1,100.3
Montana	60.7		60.7					60.7	71.7	336.8	408.5	710.4	1,179.6
Nebraska	13.2		13.2		12.9	12.9	.3	26.4	42.7	91.5	134.2	328.0	488.6
Nevada	50.7		50.7	5.5		5.5		56.2	12.7	145.9	158.6	319.2	534.0
New Hampshire	23.7		23.7		.3	.3	25.7	49.7	36.1	7.4	43.5	120.0	213.2
New Jersey	7.1	7.8	14.9	7.0	15.0	22.0	52.4	89.3	22.2	72.8	95.0	187.2	371.5
New Mexico	197.3		197.3	94.0		94.0		291.3	40.5	32.2	72.7	638.9	1,002.9
New York	68.8	51.9	120.7	6.2	12.5	18.7	500.3	639.7	126.7	217.5	344.2	243.3	1,227.2
North Carolina	92.0		92.0	68.5	85.2	153.7		245.7	182.2	21.2	203.4	324.1	773.2
North Dakota	114.8		114.8	26.1	33.2	59.3		174.1	43.2	30.5	73.7	320.1	567.9
Ohio	258.4	25.3	283.7		38.0	38.0	173.5	495.2	112.0	329.1	441.1	553.0	1,489.3
Oklahoma	57.3		57.3	27.6	22.6	50.2	175.8	283.3	135.7	143.6	279.3	233.0	795.6
Oregon	143.8	26.4	170.2	27.7	199.7	227.4	.7	398.3	105.4	25.6	131.0	202.1	731.4
Pennsylvania	136.2	58.6	194.8	6.2	12.2	18.4	362.8	576.0	117.6	203.0	320.6	634.4	1,531.0
Rhode Island	10.0	9.7	19.7	.2	.1	.3		20.0	1.4	3.3	4.7	46.4	71.1
South Carolina	43.5		43.5	2.2	7.9	10.1		53.6	241.5	72.0	313.5	311.9	679.0
South Dakota	7.2		7.2	56.5		56.5		63.7	92.1	239.4	331.5	282.4	677.6
Tennessee	5.5	1.7	7.2					7.2	159.4	230.6	390.0	653.4	1,050.6
Texas	465.2	54.2	519.4	117.6	145.0	262.6	30.0	812.0	272.6	1,208.3	1,480.9	738.1	3,031.0
Utah	31.5		31.5	19.9	2.1	22.0		53.5	68.3	129.8	198.1	670.1	921.7
Vermont	7.8		7.8					7.8	33.8	110.8	144.6	168.8	321.2
Virginia	22.4	4.4	26.8	48.0	37.3	85.3	39.2	151.3	107.1	337.0	444.1	471.3	1,066.7
Washington	53.6	2.8	56.4	121.8	111.0	232.8	.6	289.8	36.3	282.0	318.3	118.8	726.9
West Virginia	.2		.2				85.8	86.0	52.5	47.1	99.6	208.8	394.4
Wisconsin	99.3		99.3		39.5	39.5		138.8	57.7	256.0	313.7		452.5
Wyoming	63.7		63.7	20.5		20.5		84.2	140.7	82.4	223.1	608.1	915.4
District of Columbia		2.6	2.6		1.3	1.3		3.9	4.5	7.6	12.1	16.8	32.8
Puerto Rico													
Total	3,141.1	551.6	3,692.7	1,245.2	1,894.4	3,139.6	2,274.2	9,106.5	4,690.4	10,092.5	14,782.9	16,705.0	[1] 40,594.4

[1] The system is limited to 41,000 miles by law. The small balance is held in reserve for adjustments as final locations are selected and projects built.

TABLE II.—*National System of Interstate and Defense Highways—Active and completed projects financed with Federal-aid Interstate funds as of June 30, 1960*

[Millions of dollars]

State	Projects under way or authorized						Projects completed July 1, 1956, to date					
	Construction		Engineering and right-of-way		Total		Construction		Engineering and right-of-way		Total	
	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds
Alabama	78.7	70.8	24.8	21.6	103.5	92.4	28.4	24.2	5.4	4.8	33.8	29.0
Alaska												
Arizona	29.5	27.9	18.4	17.4	47.9	45.3	36.3	33.3	1.7	1.6	38.0	34.9
Arkansas	48.6	43.7	30.9	27.1	79.5	70.8	16.4	12.9	2.1	1.6	18.5	14.5
California	250.9	208.7	226.9	95.7	477.8	304.4	242.4	205.9	254.7	144.5	497.1	350.4
Colorado	19.7	17.8	3.4	3.1	23.1	20.9	55.9	47.9	13.8	12.0	69.7	59.9
Connecticut	41.3	36.7	35.7	31.5	77.0	68.2	27.4	22.7	4.1	3.6	31.5	26.3
Delaware	8.2	7.3	16.8	14.0	25.0	21.3	2.5	2.2	.9	.6	3.4	2.8
Florida	76.8	68.2	27.5	24.7	104.3	92.9	58.4	49.1	45.6	40.7	104.0	89.8
Georgia	71.2	62.9	43.6	35.5	114.8	98.4	24.8	19.8	12.5	11.0	37.3	30.8
Hawaii												
Idaho	22.4	20.9	6.0	5.5	28.4	26.4	16.6	14.4	2.9	2.6	19.5	17.0
Illinois	220.3	192.4	93.1	81.8	313.4	274.2	131.6	103.5	21.7	18.8	153.3	122.3
Indiana	107.6	94.0	33.0	29.7	140.6	123.7	22.4	18.5	9.5	8.5	31.9	27.0
Iowa	49.4	44.7	9.0	8.1	58.4	52.8	76.1	66.1	18.1	15.6	94.2	81.7
Kansas	26.0	23.1	13.3	8.6	39.3	31.7	65.4	56.5	11.0	9.8	76.4	66.3
Kentucky	69.0	61.9	34.3	30.0	103.3	91.9	33.2	28.7	14.2	11.7	47.4	40.4
Louisiana	72.6	65.3	66.8	56.1	139.4	121.4	43.2	37.9	4.2	3.7	47.4	41.6
Maine	29.8	26.7	2.0	1.8	31.8	28.5	18.2	15.0	5.0	4.5	23.2	19.5
Maryland	40.8	36.3	19.8	17.4	60.6	53.7	45.3	38.9	2.3	2.0	47.6	40.9
Massachusetts	123.7	109.3	39.8	35.8	163.5	145.1	35.7	32.0	12.5	11.1	48.2	43.1
Michigan	118.1	106.1	98.9	89.0	217.0	195.1	134.9	112.4	10.0	8.2	144.9	120.6
Minnesota	68.0	61.8	118.7	63.9	186.7	125.7	20.1	16.6	4.8	4.2	24.9	20.8
Mississippi	62.0	55.3	16.3	13.9	78.3	69.2	26.3	22.5	3.0	2.2	29.3	24.7
Missouri	77.4	69.8	17.7	15.9	95.1	85.7	100.1	86.4	50.2	42.3	150.3	128.7
Montana	40.4	37.0	14.8	13.5	55.2	50.5	6.1	5.1	10.4	9.3	16.5	14.4
Nebraska	28.6	25.7	23.2	20.9	51.8	46.6	11.0	9.0	4.5	3.8	15.5	12.8
Nevada	4.5	4.3	30.0	28.5	34.5	32.8	15.2	14.1	1.5	1.3	16.7	15.4

TABLE II.—*National System of Interstate and Defense Highways—Active and completed projects financed with Federal-aid Interstate funds as of June 30, 1960*—Continued

[Millions of dollars]

State	Projects underway or authorized						Projects completed July 1, 1956, to date					
	Construction		Engineering and right-of-way		Total		Construction		Engineering and right-of-way		Total	
	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds
New Hampshire	28.0	24.4	6.2	5.6	34.2	30.0	21.3	17.8	1.7	1.4	23.0	19.2
New Jersey	60.0	53.4	82.8	71.2	142.8	124.6	34.4	30.3	3.1	2.6	37.5	32.9
New Mexico	17.5	16.3	9.8	9.1	27.3	25.4	63.0	58.1	5.8	5.3	68.8	63.4
New York	264.0	225.7	142.4	126.2	406.4	351.9	200.8	153.1	15.2	13.5	216.0	166.6
North Carolina	48.0	43.2	4.4	4.0	52.4	47.2	60.2	50.4	18.4	16.1	78.6	66.5
North Dakota	19.1	17.3	3.4	3.1	22.5	20.4	40.6	36.2	2.6	2.2	43.2	38.4
Ohio	137.7	121.4	35.0	31.5	172.7	152.9	260.8	226.3	113.3	101.4	374.1	327.7
Oklahoma	28.6	25.7	14.9	13.4	43.5	39.1	72.3	61.3	7.5	6.7	79.8	68.0
Oregon	54.0	49.7	31.4	28.8	84.5	78.5	57.0	46.7	2.2	1.9	59.2	48.6
Pennsylvania	135.2	121.6	41.0	36.9	176.2	158.5	164.3	137.4	37.8	33.9	202.1	171.3
Rhode Island	5.3	4.7	19.5	17.3	24.8	22.0	20.3	17.1	3.2	2.8	23.5	19.9
South Carolina	70.8	63.1	3.7	3.3	74.5	66.4	19.6	16.2	10.2	8.9	29.8	25.1
South Dakota	31.8	28.9	6.0	5.4	37.8	34.3	13.3	10.4	2.3	2.1	15.6	12.5
Tennessee	102.7	92.4	69.6	59.6	172.3	152.0	20.5	18.1	7.5	6.4	28.0	24.5
Texas	147.7	132.8	77.3	69.6	225.0	202.4	214.4	184.8	15.2	13.6	229.6	198.4
Utah	27.5	25.5	20.1	19.1	47.6	44.6	16.2	14.4	14.3	13.2	30.5	27.6
Vermont	41.6	37.5	8.4	7.5	50.0	45.0	5.6	4.2	2.2	1.8	7.8	6.0
Virginia	112.9	100.9	42.9	38.6	155.8	139.5	16.2	12.5	13.8	11.9	30.0	24.4
Washington	40.0	36.3	19.4	17.5	59.4	53.8	65.0	52.1	27.8	24.9	92.8	77.0
West Virginia	61.5	54.6	17.8	15.1	79.3	69.7	3.1	2.6	6.0	5.2	9.1	7.8
Wisconsin	41.8	36.7	20.6	18.6	62.4	55.3	54.6	47.0	12.7	10.5	67.3	57.5
Wyoming	40.1	37.2	7.0	6.5	47.1	43.7	35.8	32.0	1.4	1.3	37.2	33.3
District of Columbia	31.6	27.7	12.3	11.0	43.9	38.7	2.5	2.2	2.6	2.3	5.1	4.5
Puerto Rico												
Total	3,332.9	2,955.6	1,760.6	1,409.9	5,093.5	4,365.5	2,755.7	2,326.8	853.4	669.9	3,609.1	2,996.7

TABLE III.—*Federal-aid primary and secondary highway systems, active and completed projects financed with primary, secondary, and urban funds, as of June 30, 1960*

[Millions of dollars]

State	Projects under way or authorized							Projects completed July 1, 1956, to date						
	Construction			Engineering and right-of-way		Total		Construction			Engineering and right-of-way		Total	
	Total cost	Federal funds	Miles	Total cost	Federal funds	Total cost	Federal funds	Total cost	Federal funds	Miles	Total cost	Federal funds	Total cost	Federal funds
Alabama	60.5	29.1	02.3	7.7	3.8	68.2	32.9	125.5	66.6	3,283.2	10.8	5.4	136.3	72.0
Alaska	29.4	25.5	197.9	10.1	8.8	39.5	34.3	20.5	17.4	638.1	1.6	1.6	22.1	19.0
Arizona	17.6	13.4	166.9	3.0	2.2	20.6	15.6	55.5	41.0	657.8	1.3	.9	56.8	41.9
Arkansas	35.2	17.9	561.2	1.9	1.0	37.1	18.9	74.8	38.6	2,062.7	6.3	3.1	81.1	41.7
California	146.4	78.6	310.0	2.6	1.5	149.0	80.1	344.2	175.3	1,389.2	2.6	1.3	346.8	176.6
Colorado	24.4	13.1	290.0	5.3	3.0	29.7	16.1	94.9	50.7	1,271.5	9.2	4.7	104.1	55.4
Connecticut	57.3	27.3	67.6	2.9	1.4	60.2	28.7	47.4	25.2	95.5	1.7	.9	49.1	26.1
Delaware	9.0	4.5	74.6	.3	.2	9.3	4.7	29.4	14.1	219.1	.3	.2	29.7	14.3
Florida	47.8	24.2	219.5	1.0	.5	48.8	24.7	116.7	57.2	1,475.8	1.0	.4	117.7	57.6
Georgia	80.8	40.6	831.0	13.1	6.6	93.9	47.2	128.4	64.9	2,370.6	7.4	3.6	135.8	68.5
Hawaii	9.7	4.6	14.0	.6	.3	10.3	4.9	17.5	9.0	46.8	3.2	1.6	20.7	10.6
Idaho	16.5	10.6	219.3	3.0	1.8	19.5	12.4	49.0	30.4	1,069.1	3.9	2.1	52.9	32.5
Illinois	145.1	77.6	912.7	7.9	3.9	153.0	81.5	280.8	147.8	3,306.9	6.4	3.4	287.2	151.2
Indiana	78.7	40.4	557.8	15.3	7.7	94.0	48.1	141.9	76.0	1,438.7	20.9	10.5	162.8	86.5
Iowa	39.1	20.0	803.5	1.9	.9	41.0	20.9	154.5	82.7	4,910.6	5.3	2.7	159.8	85.4
Kansas	35.6	17.8	1,307.7	1.5	.7	37.1	18.5	135.3	69.0	5,405.1	13.2	6.7	148.5	75.7
Kentucky	51.1	26.7	291.5	6.3	3.2	57.4	29.9	96.7	50.9	1,355.0	20.5	10.2	117.2	61.1
Louisiana	73.1	34.4	529.7	4.7	2.3	77.8	36.7	109.2	55.0	1,329.5	6.1	3.1	115.3	58.1
Maine	8.9	4.5	75.0	1.7	.9	10.6	5.4	50.4	25.7	459.6	4.5	2.1	54.9	27.8
Maryland	34.0	17.5	208.6	1.1	.5	35.1	18.0	81.5	42.4	652.6	.8	.4	82.3	42.8
Massachusetts	98.1	49.1	93.7	11.9	6.0	110.0	55.1	96.4	47.9	154.7	21.1	10.3	117.5	58.2
Michigan	87.3	43.6	924.4	11.0	5.5	98.3	49.1	231.2	113.4	3,408.0	4.3	1.8	235.5	115.2
Minnesota	84.2	44.6	1,713.6	1.0	.5	85.2	45.1	149.5	78.1	6,262.8	4.8	2.5	154.3	80.6
Mississippi	40.9	19.6	865.8	3.3	1.6	44.2	21.2	92.2	46.6	3,080.1	11.2	5.6	103.4	52.2
Missouri	67.2	33.9	1,071.5	14.0	7.0	81.2	40.9	167.5	87.7	5,208.4	29.1	14.5	196.6	102.2
Montana	33.1	20.7	587.9	4.2	2.4	37.3	23.1	86.9	54.8	1,881.5	6.7	3.9	93.6	58.7
Nebraska	41.4	21.9	886.4	1.7	.9	43.1	22.8	113.2	60.4	3,163.8	11.8	6.0	125.0	66.4
Nevada	8.8	7.4	149.8	1.7	1.4	10.5	8.8	42.4	34.7	893.5	2.2	1.6	44.6	36.3
New Hampshire	11.2	5.5	45.7	.4	.2	11.6	5.7	35.4	18.2	195.4	1.5	.7	36.9	18.9
New Jersey	44.9	22.3	83.7	16.2	8.2	61.1	30.5	92.8	46.3	208.3	1.9	.9	94.7	47.2
New Mexico	15.7	10.2	196.4	2.5	1.6	18.2	11.8	73.1	47.1	1,108.8	6.4	4.0	79.5	51.1
New York	271.8	129.3	654.3	5.9	3.2	277.7	132.5	476.8	228.8	1,347.4			476.8	228.8
North Carolina	37.1	18.3	483.3	4.3	2.1	41.4	20.4	138.0	70.4	2,541.4	24.2	11.9	162.2	82.3
North Dakota	29.2	14.8	1,192.5	.4	.2	29.6	15.0	80.1	41.6	5,633.9	3.6	1.9	83.7	43.5
Ohio	149.7	81.6	333.5	4.2	2.1	153.9	83.7	205.6	107.1	1,341.3	72.7	36.5	278.3	143.6
Oklahoma	42.4	21.2	773.6	4.3	2.2	46.7	23.4	139.9	71.1	2,238.8	6.0	3.0	145.9	74.1
Oregon	28.8	17.8	298.3	7.9	4.8	36.7	22.6	83.8	50.0	1,070.1	1.9	1.1	85.7	51.1
Pennsylvania	130.1	63.7	285.1	8.1	4.1	138.2	67.8	315.3	161.1	1,022.7	7.3	3.6	322.6	164.7
Rhode Island	12.3	6.0	25.4	5.2	2.6	17.5	8.6	27.6	14.2	108.3	5.7	2.8	33.3	17.0
South Carolina	37.9	19.3	1,195.1	1.4	.7	39.3	20.0	71.3	37.5	2,126.0	6.5	3.3	77.8	40.8
South Dakota	23.6	13.3	716.1	.7	.4	24.3	13.7	81.3	46.5	3,922.6	.9	.6	82.2	47.1
Tennessee	40.4	20.2	783.4	12.6	6.2	53.0	26.4	139.6	71.1	2,822.7	6.7	2.5	146.3	73.6
Texas	133.3	69.5	1,560.4	.6	.3	133.9	69.8	423.4	218.4	8,122.1	2.7	1.5	426.1	219.9
Utah	14.4	10.6	180.9	2.5	1.9	16.9	12.5	45.3	31.4	721.3	4.7	3.5	50.0	34.9
Vermont	12.0	6.0	62.5	.4	.2	12.4	6.2	27.9	14.4	238.8	3.5	1.7	31.4	16.1
Virginia	38.0	20.3	438.2	12.9	6.5	50.9	26.8	122.3	63.2	1,908.3	17.9	8.9	140.2	72.1
Washington	33.9	18.6	427.3	8.5	4.6	42.4	23.2	107.4	56.2	1,652.2	1.7	.9	109.1	57.1
West Virginia	29.9	15.4	477.2	8.5	4.1	38.4	19.5	53.9	27.8	392.8	12.7	6.3	66.6	34.1
Wisconsin	36.6	18.5	644.7	12.6	5.7	49.2	24.2	157.0	79.8	2,743.5	9.6	4.8	166.6	84.6
Wyoming	19.4	12.7	239.5	2.9	1.9	22.3	14.6	50.0	32.7	1,005.5	1.2	.8	51.2	33.5
District of Columbia	18.1	8.8	9.6	9.0	4.5	27.1	13.3	21.1	10.8	24.5	1.4	.6	22.5	11.4
Puerto Rico	25.6	12.3	71.1	2.2	1.1	27.8	13.4	34.7	16.6	112.7	7.7	3.3	42.4	19.9
Total	2,697.5	1,405.3	25,911.7	274.9	145.9	2,972.4	1,551.2	6,137.0	3,225.8	100,099.6	426.6	216.2	6,563.6	3,442.0

Status of highway trust fund

[Thousands of dollars]

	3 months ended June 30, 1960	Fiscal year 1960
Balance at beginning of period	[1] 184,905	523,657
Income:		
Tax revenue (net, after refunds):		
Motor-fuel taxes	549,689	2,043,764
Trucks, buses and trailers	46,810	141,944
Tires, tubes and tread rubber	82,896	315,607
Vehicle use	3,945	37,712
Total excise revenue	683,340	2,539,027
Advances from general fund	----------	359,000
Interest earned	857	1,855
Total income	684,197	2,899,882
Disbursements:		
For highways	551,715	2,940,583
Interest on advances from general fund	3,498	5,067
Repayments to general fund	195,000	359,000
Total disbursements	750,213	3,304,650
Balance at end of period	118,889	118,889

[1] This balance would be $10,095,000, if adjusted for the $195,000,000 net advance from the general fund to the trust fund.

TABLE A.—*Progress of Federal-aid highway program to Aug. 1, 1960*

[Dollars in millions]

1. TOTAL CONTRACTS ADVERTISED AND FUNDS OBLIGATED, JULY 1, 1956, TO DATE

	Program			Total
	Interstate	ABC	D	
Miles	10,983	91,377	12,110	114,470
Total cost	$8,583	$6,926	$621	$16,130
Federal funds:				
Construction	5,235	3,281	399.4	8,915
Right-of-way	1,624	225	.5	1,850
Preliminary engineering	481	88	.1	569
Subtotal	7,340	3,594	400.0	11,334
Administration	44	52	0	96
Total	7,384	3,646	400.0	11,430
Percent of funds obligated:				
Fiscal year	1960	1961	1959	--------
Percent obligated	93	22	100	--------

2. CONSTRUCTION UNDER WAY OR ADVERTISED, AS OF AUG. 1, 1960

Total cost	$3,373	$2,676	$22	$6,071
Federal funds	$2,992	$1,389	$13	$4,394
Miles	5,394	25,509	172	31,075

3. CONSTRUCTION COMPLETED, JULY 1, 1956, TO DATE (INCLUDES COMPLETED CONTRACTS ADVERTISED PRIOR TO JULY 1, 1956)

Total cost	$2,835	$5,651	$598	$9,084
Federal funds	$2,398	$2,900	$386	$5,684
Miles	6,615	89,686	11,938	108,239

4. STATUS OF HIGHWAY TRUST FUNDS AS OF JULY 1, 1960

	Receipts	Expenditures	Balance
Fiscal year 1957	$1,482	$966	$516
Fiscal year 1958	2,044	1,511	1,049
Fiscal year 1959	2,088	2,613	524
Fiscal year 1960	2,541	2,946	119
Total to July 1, 1960	8,155	8,036	119

Mr. RHODES of Arizona. With all due respect to the gentleman from Texas, the gentleman from Illinois deserves to be the first to be yielded to. I yield to him, and I congratulate him on his attendance here on the floor. As always, the gentleman from Illinois is a fine Member of the House, and I am sure we will enjoy his remarks.

Mr. PRICE. Mr. Speaker, I thank the gentleman from Arizona. It is sometimes amusing in this type of performance to hear these well delivered speeches where many questions are asked, and you would think the Member asking the question was going to faint if someone looked like he was going to attempt to answer the questions. But, I appreciate the courtesy of the gentleman in giving me at least a moment to reply and, particularly, to reply to the gentleman from New Hampshire [Mr. BASS] because he asked a direct question which most certainly can be answered. Some names could be given now in reply to the question and there are many others whose names could be given, if I had a chance to check the congressional hearings because frequently I have sat through congressional hearings in which our top scientists and top leaders in the administration have conceded certain edges to the Soviet Union—and I do not consider this to be such a terrible thing because we are all in the same fight. We want to overcome our shortcomings. I think if we learn something from these debates, maybe we will overcome our shortcomings and vote for sufficient appropriations to overcome our shortcomings and be more interested in overcoming these shortcomings than we are in balancing the budget and making a good record on economy. But to my mind, there come the names of two distinguished leaders of this administration who would refute the statement made by the gentleman from New Hampshire. One is the name of Trevor Gardner, Asssistant Secretary of the Air Force, in the Eisenhower administration. Another is Lieutenant General Gavin, a member of the Weapons System Evaluation Committee of the Department of the Army. These men have spoken out forcefully on this subject. They have even resigned their positions in the Government so that they could carry their battle directly to the people and so that they could speak more frankly. I do not think there is any secret about that. I think many names could be supplied to the gentleman from New Hampshire in answer to the question contained in the early part of his statement.

Mr. RHODES of Arizona. If the gentleman will permit me to make one statement, I hope the gentleman from Illinois is not confusing the space program with the accomplishments of the military.

Mr. PRICE. I am thinking both of space and the accomplishments of the military. I am very fortunate to serve on two committees, the Joint Committee on Atomic Energy which had original jurisdiction at the inception of the space program. We hear the same witnesses that the Space Committee hears. We also hear the same witnesses that the Committee on Armed Services hears. I also have the good fortune to serve on the Committee on Armed Services so I know whereof I speak and I am not speaking on the basis of secondhand information or from hearsay.

Mr. RHODES of Arizona. In order to put this in the proper context, may I repeat the statement in the platform to which we objected. The quote is:

> They had admitted that the Soviet Union leads in the space race and they have no plan to catch up.

Now I yield to the gentleman from New Hampshire.

Mr. PRICE. If the gentleman will permit me, I have heard that statement made before congressional committees. They made almost the same statement. I would not even say it is taken out of context. But, I have heard that statement made by responsible leaders in our defense picture and the space picture before congressional committees.

Mr. THOMSON of Wyoming. May I say to the gentleman, just let us know who that high official in the Republican administration is and quote him.

Mr. BASS of New Hampshire. May I answer the gentleman's statement?

Mr. PRICE. Let us take one question at a time. Let us answer the gentleman. I will now quote from the Assistant Secretary of the Air Force. Assistant Secretary of the Air Force Trevor Gardner said:

> We have been running second best in the race with Russia for ballistic missiles because (1) we have refused to admit that national security is more important than balancing the budget, and (2) former Secretary of Defense Charles Wilson and Deputy Secretary Donald Quarles permitted the continuance of a hopeless administrative jungle. This has strangled scientific thinking and performance. We have suffered a temporary defeat not because of the inadequacy of our scientists but because of the incredible ineptness with which we have managed our scientific resources.

Mr. BASS of New Hampshire. I would like to remind the gentleman that he is quoting from a statement made in 1956. I am a member of the Space Committee, and I have had the privilege of hearing most of the witnesses that my distinguished friend has heard, and I did not hear a single administration spokesman say what the Democrats have said in this platform—that the Republicans have admitted that the Soviets lead in the space race—not one.

I would like to ask the gentleman, Does he think the Republicans have no program in this exploration of outer space?

Mr. PRICE. No; I do not think that at all. I think, however, that there have been delays in the space program and in our defense program because of the restricted budget procedure and methods.

Mr. BASS of New Hampshire. I am glad the gentleman agrees with me that part of this is wrong; namely, that the Republicans do have a plan, the administration does have a plan for the exploration of outer space.

Mr. PRICE. I would like to refer to the gentleman's statement about the Polaris. Does the gentleman know that on the eve of the sputnik there were officials testifying before the committee that they could not push forward the

Polaris program; that no amount of additional funds would speed up the program and increase the day when we would have a missile? Yet 2 months after the sputnik funds were available. Because they were available, they did accomplish a great deal in expediting the Polaris program. Those are things that the platform refers to.

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

Mr. BASS of New Hampshire. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The Polaris program has never been lacking for funds. As a member of the House Appropriations Committee for Defense, we have never been in a position where the Polaris program has lacked for funds at any time during this administration.

I would like to make one further comment in regard to the gentleman's statement and the authority he used. I would like to comment that the statement we take exception to is the statement of fact quoting certain Republican administration officials as to certain conditions that exist with regard to the space program. The authority you used is not the authority the Democrats were using in Los Angeles. If he is not a Republican spokesman he could not be considered one in July 1960. If you will look at the picture in the outer lobby you will find that this particular gentleman today in Los Angeles opened Democratic headquarters for JOHN KENNEDY for President of the United States.

Mr. RHODES of Arizona. I yield to the gentleman from Missouri.

Mr. WINSTEAD. I cannot make much contribution to this argument, but the late Secretary of War, just before he died, testified before the Armed Services Committee and said, "We are not short of money. We are not short of time. We are not short of anything. We are just short of decisions to do something." I just do not want to let all these statements go by unchallenged. That is all I want to say.

Mr. RHODES of Arizona. I thank the gentleman for his contribution. And now may I yield to the gentleman from Wyoming?

Mr. THOMSON of Wyoming. The gentleman from Illinois [Mr. PRICE] again speaks of the missile and space programs in almost the same vein as did the Democrat majority leader on yesterday during Operation Veracity. Yesterday when the same subject came up and I pointed out to the majority leader that between 1946 and 1952 the Truman administration had spent only $6.6 million on research and development of ballistic missiles including both intermediate range and intercontinental.

This represented 8 long years of research and development lost under their stewardship. I have the tables prepared by the Department of Defense with me today.

Mr. Speaker, I ask unanimous consent to insert these tables at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

(The matter referred to follows:)

BALLISTIC MISSILE FUNDING

Mr. THOMSON. Then with regard to missiles, Mr. Secretary, I wish that you would state for the record, because I do not believe it is in the record, separately for both the IRBM's and the ICBM's for the fiscal years 1945 through 1960 the amount that was requested, the amount appropriated, and the amount that was released for expenditure and the amount expended.

Mr. LINCOLN. We will be happy to do that. (The information requested follows:)

History of IRBM and ICBM funding, fiscal years 1946–61

[Millions of dollars]

Fiscal year	IRBM			ICBM			Total		
	Budget request	Appropriated	Current program	Budget request	Appropriated	Current program	Budget request	Appropriated	Current program
1946				1.9	1.9	1.9	1.9	1.9	1.9
1947									
1948				.3	.3	.3	.3	.3	.3
1949				.1	.1	.1	.1	.1	.1
1950									
1951				.5	.5	.5	.5	.5	.5
1952				.8	.8	.8	.8	.8	.8
1953				3.0	3.0	3.0	3.0	3.0	3.0
1954				13.9	13.9	13.9	13.9	13.9	13.9
1955				40.9	40.9	158.9	40.9	40.9	158.9
1956 [1]	4.4	4.4	107.5	154.9	154.9	418.8	159.3	159.3	526.3
1957 [1]	276.0	276.0	501.9	582.9	582.9	899.0	858.9	858.9	1,400.9
1958 [1]	892.5	892.5	1,151.2	1,044.8	1,044.8	998.6	1,937.3	1,937.3	2,149.8
1959 [2]	1,322.0	1,931.0	1,617.1	1,069.0	1,209.0	1,328.5	2,391.0	3,140.0	2,945.6
1960 [2]	839.8	839.8	1,189.5	1,683.0	1,855.0	2,113.8	2,522.8	2,694.8	[3] 3,303.3
1961	952.2			2,471.8			3,424.0		

[1] No funds appropriated to Army P. & P.; unobligated balances utilized.
[2] $300,300,000 fiscal year 1959 funds utilized in fiscal year 1960 for Polaris submarines.
[3] Fiscal year 1960 estimates refined from those used in tentative table dated Jan. 7, 1960.

NOTE.—Estimates are subject to minor revision due to program adjustments.

Program data reflected in this table cover the development and capital costs involved in missile programs; i.e., the cost of bringing missile systems to operational status plus the costs of procuring missiles and related equipment for operational purposes. These data include all procurement, construction, and research and development programs directly associated with missile programs. These figures do not include military pay, operation and maintenance costs for operational missile units and sites and include only those shipbuilding and aircraft costs directly associated with providing missile capability.

Mr. THOMSON of Wyoming. Mr. Speaker, let the record speak for itself. This table, and my question, are taken from part 3 of the hearings of the Department of Defense appropriations for 1961, released February 23, 1960, and appears at page 133 thereof.

May I further point out that this table would not reflect the additional effort made in space programs during the last years, as that is the subject of a separate appropriation. Separate budget requests submitted this year for space exploration and flight technology exceed $600 million.

It is perfectly obvious from looking at this table that we did not seriously commence on a missile research and development program until fiscal year 1954, commencing on July 1, 1953. This has allowed us only 7 years of real effort. There is no doubt in my mind that we could have been farther ahead in all phases of missilry, both military and space, had we not virtually wasted the 8 years of the Democrat Truman regime.

That time lost in research and development can never be purchased.

The remarkable thing, to me, is that after giving up this time in research and development, we are, militarily speaking, equal to or ahead of the Soviet. In this short period of time, we have successfully developed intermediate range ballistic missiles and placed them in operation. Both the Jupiter and the Thor are deployed or are being deployed in oversea bases where, with their limited range, they can be effective.

Even more significant is the fact that we have performed the research and development to have operationally effective and completely successful the Atlas intercontinental ballistic missile. From bases in this country, it will deliver, any place in the world, an adequate warhead to effectively destroy any known possible military target, whether now or in the future.

Sure, we are not quitting. It will be further improved. There will be follow-on missiles, the Minuteman and others which, in certain respects, will constitute a technological advance.

Let us not be misled by confusing space capability and military capability. As a military weapon, by any standards, it is as good or better than anything the Russians have. It will carry all the load we want to carry or have any military reason to carry, any place we want to carry it. There is every reason to believe that it is superior in reliability and accuracy to what the Soviet has now. With us having achieved that in such a short period of time, it is obvious to anyone that continuing with a responsible effort, we will stay out in front and go farther out in front.

Even in the space field, there is no reason to hang our heads or to take a back seat. These weapons were never intended for space vehicles, but when that became important, with makeshift modifications we have demonstrated our ability and scientific know-how. Their principal space limitation is that of thrust. They were developed as military weapons, and their thrust is completely adequate for that purpose. To be available soon, and progressing on schedule, will be vehicles intended for space which will have the thrust and other capabilities to far exceed anything that the Rus-

sians have done yet or will, I predict, do in that time, as concerns the size of payload or anything else.

This is truly a remarkable achievement to have been gained in such a short period of time. It is a great tribute to our scientists, both in and out of the Government, to our military, to those responsible for our production facilities, to the free enterprise system, and to our American way. It simply says that once we set out to do it, we can accomplish more than the Soviet in less than half the time. We should all join, not in bragging about this, but in forcefully pointing out the facts to the whole world. It should not be the subject of misrepresentation in a political platform.

Our sole objective is to preserve the security of this country and our way of life, while maintaining the peace. We now fully appreciate that to preserve our own security, we must join in preserving the security of other free nations of the world. For the moment, we accomplish this through military strength. Simultaneously, we sincerely and steadfastly pursue other means. Concurrently, we must exercise judgment, which will adequately provide for the security and the peace, but thwart the plans of those who would lead us into spending our way into a foreign ideology by destroying our system economically. America is not second rate and will not be if we follow the guidelines of this Republican—Eisenhower-Nixon—administration.

Mr. RHODES of Arizona. Mr. Speaker, I now yield to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. I thank the gentleman from Arizona for his graciousness in yielding to me. I want to allude to the remarks made a moment ago by the gentleman from Florida [Mr. CRAMER]. The gentleman from Florida left the distinct impression on me that he was attacking the special subcommittee investigating the interstate highway program, and he left the distinct implication that the committee was conducting a political investigation. He accused the chairman of that committee of handcuffing and throwing a cold blanket upon an investigation between now and November, with the further implication that the distinguished chairman of the committee, the gentleman from Minnesota [Mr. BLATNIK] had something to hide.

Let me make one point abundantly clear as a member of that subcommittee: We are proceeding in the most nonpartisan way possible. Let me remind the gentleman from Florida that had we wanted to make a partisan investigation there were plenty of States involving allegations—I do not say truths, but allegations—that could have been investigated in open hearings regarding Republican administrations of those States. Had we wished to make a political investigation of it that is precisely what we would have done by holding investigations between now and November in such States as Illinois, in such States as Indiana, in such States as West Virginia, out of each of which reports have come to our investigative staff of irregularities.

It was precisely because we did not wish to make a political investigation that we have not scheduled any hearings between now and November. We thought we were doing the decent thing, we thought we were doing the objective thing, we thought we were doing the bipartisan or nonpartisan thing.

If we had wished to make a political investigation out of this, or to direct the investigative force of the subcommittee on a political path, we certainly would not have made our first investigation in a Democratic State; and that is exactly what we did. The very first investigation involved the State of Oklahoma, a Democratic State, where the Governor of the State happened to be a brother of one of the members of the subcommittee.

When the subject was broached to that member of the subcommittee he said, "Let the chips fall where they may."

That has been the theme of the investigation, not that it would be a whitewash, not that it would be a witch hunt, but it would be an objective and clear appraisal and would let the chips fall where they may.

Let me say further, the gentleman has cast some innuendo over the Oklahoma investigation by referring to it as an investigation into "internal political problems." Let me ask the gentleman if he regards the falsifying of samples to be sent to the State laboratory and the admission of those deliberate falsifications as internal political problems? Let me ask if he regards the testimony of improper weighing without inspection as an internal political problem. Let me ask if he regards the secret partnership of a member of the highway commission in a contracting firm as an internal political problem. Let me ask if he regards it as an internal political problem when the independent appraisers say the contractors were overpaid by some $500,000, and when most of this was Federal money? Was it an internal political problem that the Bureau of Public Roads inspectors failed utterly to detect any of these irregularities?

I get carried away, I expect, but it pains me very deeply for somebody to get up on the floor of the House and say this investigating committee has not done its work. It pains me particularly for that to come from a member of the minority with the inference that we have been conducting a political investigation, when the truth is that we have not been conducting a political investigation.

The gentleman indicated that our initial investigation into the matter of bridge clearances was aimed at the Bureau of Public Roads. Let me clarify that point by saying most emphatically that that investigation was aimed at getting the facts, and I think we did get the facts.

Let me ask the gentleman or any Member of the House if this is privileged information that should not be exposed when it can be proven that for 3 long years the members of the administration team in the Bureau of Public Roads and in the Defense Department could not get together and decide just how high the minimum bridge clearances should be, and that during that time some 2,200 new bridges were approved at lower levels than they now believe should be required at a total cost of some $374 million, and that we produce military hardware which must be moved from one end of the country to the other at rapid notice which cannot clear those bridges that were built during these 3 long years in which these administrative people were trying to make up their minds? I do not say that bureaucratic indecision is an exclusive domain of the Republican Party, but neither is it an exclusive domain of the Democratic Party.

If there need be any further proof of the value of these investigations, it can be found in the very fact that those charged with making this determination of minimum vertical clearances floundered on indecision for 3 long years, and shortly after we began our investigation, they got busy for the first time and finally made a decision.

I want to say simply that any criticisms of this subcommittee which are designed to imply that this subcommittee has conducted itself in any way other than as an objective subcommittee aimed at getting the facts, regardless of whom they may hurt, is not a valid criticism.

I want to say that those who level this criticism have not been conspicuous among those who supported the initial creation of the committee, they have not been conspicuous among those who asked for and supported requests for funds with which to conduct the committee hearings. They have tried in every way they could to discredit the committee and to obstruct its work, but they have not succeeded in either.

I want to say that this committee under the able leadership of the gentleman from Minnesota [Mr. BLATNIK] has bent over backward to be fair. This committee is dedicated to getting the truth out on the table, not to blame anybody, not to punish anybody, not to criticize anybody or any party but simply to see how this program can be improved to the end that the American public will be getting its full dollar's worth of road for every dollar of taxes it pays.

The gentleman may rest assured that these investigations by the committee staff are proceeding. They are proceeding, not helter-skelter, but in an orderly way. They are preparing their cases carefully. Hearings on each of the substantive cases will be held. Of that you may be sure. They will be public hearings. They will be held when the facts have been adequately developed. They will be objective hearings, and they will be designed to serve the specific interests of no particular political party, but those of the taxpaying public.

Anything that attempts to bring this committee and its work into a political arena is an unworthy allegation. This is a committee designed to get the facts, to let the chips fall where they may. It will not be a witch hunt but, by the same token, it will not be a coverup.

Mr. CRAMER. I will just take a minute in reply, and I will just reiterate the statements I made at the outset, none of which have been disproved by the gentleman from Texas. Of course, what he

says here today is a repetition of statements he has been issuing to the press, and it is a statement of his position on the subcommittee. So far as I am concerned, I just happen to disagree with him in regard to some of the facts of what happened and in regard to the road this subcommittee should take in pursuing for full, fair, and effective hearings on all matters. I particularly disagree with the Democratic platform and its statement in regard to this committee when it says that the committee has launched an extensive investigation of this highway program. The gentleman, in my opinion, proved the point I was trying to make when he stated that they had uncovered all of these things in these States, and I repeat that all of these things have been uncovered in all of these States, which all of us are concerned about and feel something must be done about it, and what this subcommittee was set up to do something about. Despite this admission, there has been only one investigation in one State which I said at the time I mentioned it uncovered things that made me very unhappy, and action was taken immediately to do something about them. And, I am sure the gentleman will agree with that statement of fact.

Let me say further that so far as I am concerned the gentleman knows full well, that the gentleman from Iowa [Mr. SCHWENGEL], who was one of the first to request the establishment of such a committee, along with myself and along with the gentleman from Ohio [Mr. SCHERER], who has been constantly criticized—and with the gentleman from Texas, too—we have been constantly criticized because we made such demands. When the subcommittee was finally set up, we were not even permitted to have a staff member and we were given a worse than 2 to 1 minority position. The chairman came in one day when the session started and said, without justifications and plans for committee action, "I want $300,000 to run this committee this year." I think that was the greatest amount any special committee has received, including the House Committee on Un-American Activities, with a staff of 40 people, and at that time we had a proposal for a staff of 6 people. Regardless, the minority asked for adequate funds, not funds that could not be justified, not funds to be squandered. We were not consulted on the makeup of the staff. These are legitimate complaints, and they still are legitimate complaints. We now have one minority counsel. Our counsel asked for information on these investigations, and that information was denied on the instructions of the chairman. I ask the gentleman from Texas if he does not feel that this is just a little bit unfair treatment of the minority, even though we are a 2 to 1 minority, and if we are not entitled to some of this information, some of these facts? And, my position in this matter, and in full support of the objectives of the committee is a matter of record. The gentleman has stated, that despite all the allegations of wrongdoing there has been only one investigation, which proves the point I made conclusively.

Mr. RHODES of Arizona. A gentleman who has been on the floor all afternoon and who has asked to make a statement certainly is entitled to be heard. I now yield to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. I want to congratulate the gentleman from Arizona [Mr. RHODES] for taking this additional time today for this discussion. I was on the floor yesterday when the gentleman asked unanimous consent for this additional time. I did not object simply because I felt that a give-and-take of this type was healthy. There will be those, of course, who will charge that this is a political discussion. After all, this House of Representatives is the greatest forum in the world today. If, perhaps, in the last few years there had been more of this give-and-take on major legislation we would perhaps have gotten better legislation out of the Congress.

I also want to thank the gentleman for taking this time, and I particularly want to thank the Republican congressional committee for doing an excellent job on research on all this great progress that has been made in this administration, because it is no question, no mystery or secret that the Democrats control the majority of this Congress, and we know that not one of these things that have been explained today in such glowing terms and attributed to the Republican Party could have been accomplished without some support from the Democrats.

We know that in every instance the Democrats have supported those things we thought were good. And I am happy to note that today a great deal of time has been saved for me and many other Members, time that normally we would have had to use for research to find out what the effects have been of the legislation that we have been supporting. Let us not make any mistake. Any way you want to chop this up, the fact remains that this administration would have been in a hopeless box if they had not received the cooperation and support of the Democrats who conducted themselves as statesmen in this House. The fact of the matter is that right now, at this moment, the gentleman recited many things that the administration had accomplished, but just a few moments ago the conferees broke up on the minimum wage bill. The President had told us that he was ready to recall Congress if we did not come up with a minimum wage bill. But just a moment ago the conferees broke up and three members of the Republican Party refused to go along with a compromise that would have given us a minimum wage bill in this session. Certainly the situation now looks rather hopeless.

I have been here through this great debate. I was very much surprised to hear that the speakers were perfectly willing to claim credit for all the good things but very conveniently were sweeping under the rug the shortcomings. I would have been much more impressed with this presentation if it had been in fact a factual presentation. But just a moment ago the statement was made on this floor that the Democratic candidate for President had voted against the St. Lawrence Seaway. The fact of the matter is that in 1953 on final passage the Senator from Massachusetts [Mr. KENNEDY] did vote for this project. Now, if you were as wrong in all your other presentations as you were on this, we cannot take it with a great deal of confidence.

I would have preferred if we had discussed fully the failures in foreign policy. But here again we Democrats are immediately accused, whenever we want to discuss foreign policy, that this is the untouchable thing; you cannot touch this because it might jeopardize the world situation, that foreign policy must be nonpartisan. We are supposed to sit by while 90 miles from the Miami beaches we have today a Communist satellite.

Of course, on the matter of defense, despite the fact that the Rockefeller report, the Gaither report, and the Hopkins report have all stated conclusively and clearly that while we are strong today—and there is no question about it, we are strong today—if we do not make the changes that have been recommended, in 3 years the Soviet Union may well issue an ultimatum to this country to surrender or face a nuclear war that we could very well lose. These are things which, when we want to discuss them, we are accused of undermining the confidence of our allies in America's ability to defend itself.

These are the inequities in this one-sided debate conducted by the Republicans who do not want to stand up and accept the challenge from those of us who want to challenge their statements.

I thank the gentleman for yielding.

Mr. RHODES of Arizona. Mr. Speaker, I am sure the gentleman knows exactly how to obtain a special order for himself on the floor of the House. You just make the request of the Speaker for permission to speak. And if the gentleman wants to conduct a debate on foreign affairs, there is nobody who can keep him from doing it. Whether he feels the Republicans have done this, or the Republicans have not done that, is beside the point. He knows that he can get whatever time he wants to make his statements, and if he will let me know, I will be very happy to join him, as will many others.

Mr. PUCINSKI. The only way is to do as I did last night, by not objecting to the gentleman's unanimous request for an extension of time, because I thought we would be doing much better if both sides were here.

Mr. RHODES of Arizona. I am very grateful to the gentleman for that, I assure him.

Mr. KING of Utah. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Utah.

Mr. KING of Utah. Mr. Speaker, I would like to say a word or two about space in answer to the remarks of the gentleman from New Hampshire [Mr. BASS]. I, too, am a member of the Committee on Science and Astronautics. My attendance has been good, I believe; I think I have done my homework and can speak with some authority.

A few months ago the chairman of the Republican congressional campaign committee was in my home city of Salt Lake making a keynote address at a Republican gathering. In referring to me indirectly he tried to think of the most opprobrious thing he could say. Finally he came up with this remark, that the Congressman from the Second Congressional District of Utah is a member of the Space Committee, flipping around in outer space instead of attending to his business here in Utah.

That is exactly the trouble. The Republican Party has not taken this matter of space seriously, as is evident from the statement I have just made. For that reason, I feel, and the evidence that has come before our committee has conclusively demonstrated, that we have fallen perilously behind the Russians and that there has been manifested a gap that we have no assurance can be closed up during the years to come.

I cannot remember any witness coming before our committee and stating categorically that we were ahead of the Russians in any field. I have heard several of them suggest that our progress in telemetering and in miniaturization was satisfactory and that there was a likelihood that we were ahead of the Russians in that field, but none of them have been able to state categorically that that is true. All of them have agreed the Russians are way ahead of us in the matter of the booster, the large rocket or missile that carries the machinery, the equipment, into space. They are up into 800,000 and 900,000 pounds of thrust while we are still in the 350,000-pound thrust area.

Mr. RHODES of Arizona. Before the gentleman leaves that point, may I say I am a member of the House Appropriations Committee and the Independent Offices Subcommittee. We appropriate money for the National Aeronautics and Space Agency. Certainly my recollection is that Dr. Glennan when he has come before us has said that we are behind the Russians in rocketry but we are not behind them in anything else. If the gentleman has any other quotes from Dr. Glennan I would certainly like to have him put them in the RECORD.

Mr. KING of Utah. Allow me to pursue this thought for a minute.

In 1954, as was testified before our committee, the Russians made a great decision. That was the year in which they decided to put most of their defense eggs in the missile basket, if I may use the phrase. That was the year in which they decided to give their space program the green light, to go all out to develop a superbooster. By a strange coincidence, that was the same year we made just the reverse decision. We decided we would specialize in a smaller rocket instead of a larger rocket, that we would specialize in miniaturization. By 1957 our own error had caught up with us. Sputnik I was launched. We realized that the decision of 1954 was a grave error. Then we reversed ourselves and tried to catch up. Now in 1960 we have still not caught up with where the Russians were in 1957.

This is the appalling fact of the matter. We have no evidence—and this comes back to the Democratic platform—we have no evidence that we are catching up with the Russians in the matter of the thrust of our missiles. We are doing our best now, of course, and we have an ambitious program, but we have every reason to believe that the Russians are also doing their best, that they have a program that is just as ambitious as ours, and every indication is that they will remain that much ahead of us.

Mr. RHODES of Arizona. If the gentleman has no evidence, then he probably has not read most of the testimony that has come from the National Aeronautics and Space Agency. I have evidence from having heard the testimony in my own subcommittee that we are catching up and that we will catch up. I am sorry the gentleman does not feel that way.

Mr. KING of Utah. To round out my point, let me make two other points. Then I will not trespass further on the time of the gentleman.

Edward Teller, the father of the hydrogen bomb, has stated repeatedly that we have fallen so far behind in the education of our potential scientists and in coming along to replenish the reservoir of scientists, we have fallen so far behind in the tempo of our education, remembering that the Russians are turning out three engineers to our one and two general scientists to our one, that there is nothing we can do, even if we try now, no matter what we do, to keep the Russians from overtaking us. Admittedly, we are still ahead of them. I do not think anyone questions that. The point is that their tempo, their acceleration is so rapid and they are taking this thing so seriously and are putting such a tremendous amount of their natural resources into educating scientists to take their place in the Russian space program that there is nothing we can do now to stop them. Those are the things that worry me and those are the things that I believe are at the base of the statement made in the Democratic platform. We have no assurance now that we are catching up with the Russians—and on that statement I will stand.

Mr. BASS of New Hampshire. Mr. Speaker, I want to say first of all that I had the privilege of serving on the Space Committee with my very good friend, the gentleman from Utah. I would corroborate what you say. You have done your homework well and you have served conscientiously. But you have made many statements with which I disagree. We do not have the time to go into that now, but I know my friend even if he is a Democrat is fairminded and I would just like to ask him this question. Going back to the original point that I am making and which I will repeat again, the Democratic statement in the platform and I am going to repeat it again to you and ask you if you think that that corresponds with the facts—the statement in the Democratic platform that—

> They [the Republicans] have admitted that the Soviet Union leads in the space race and they have no plan to catch up.

I would ask my friend if he believes that is a fact?

Mr. KING of Utah. If the gentleman from Arizona will yield so that I may answer. Naturally, the statement is not to be construed as meaning that all Republicans admit that the Russians are ahead of us. The statement is to be construed as meaning simply that there are responsible Republicans on record who have so stated. The gentleman from Illinois [Mr. PRICE] has given their names for the record. As to the second part of the statement, neither you nor I nor any other living American can state categorically whether we are or are not catching up with the Russians. If there is a gap—and I realize you challenge that—we do not know what the Russians are doing. We do not know the pace of their progress. That was testified to again and again and all we can do is to surmise. But, I would say, based upon the testimony that has come before our committee, I have every reason to believe that the Russians are travelling as fast as we are and since in 1957 they produced a rocket that we are not able to duplicate 3 years later in 1960, and if they are travelling as fast as we are, then it stands to reason that we are not catching up with them.

Mr. BASS of New Hampshire. The point I am trying to make to my good friend is, and I refer to the statement, "That the Republicans have no plans to catch up." That is not true; is it?

Mr. KING of Utah. My point is that there is nothing to show we have a concrete plan designed to develop a thrust equal to what the Russians will, presumably, have by the time we come out with what we are developing. We are now working on Project Saturn and other projects as well. We know that. I commend Dr. Glennan for what he is doing. But we have no evidence to show that when Project Saturn finally materializes that that will be equal to what the Russians have accomplished by the time we come out with Project Saturn. In fact, all of the testimony seems to be that they will have paced us and since they are at least 3 years ahead of us and very likely more, when we come out with Project Saturn, they will still be 3 years ahead of us.

Mr. RHODES of Arizona. The gentleman knows, of course, that Saturn is not the last word so far as our plans are concerned.

Mr. KING of Utah. That is correct. There is the project Nova and what I said about project Saturn would apply to project Nova or any other project as long as it is assumed that the Russians are traveling as fast as we are and we have every reason to believe that they are.

Mr. RHODES of Arizona. Of course, I have to disagree with the gentleman. I think we have every reason to believe that they are not, but the gentleman cannot prove his statement any better than I can prove my statement so we will have to leave it as a disagreement between friends.

Mr. THOMSON of Wyoming. If I understand the gentleman correctly, it does not quite jibe with the testimony I have heard as a member of the Defense Appropriation Subcommittee. We spent about 5 hours a day for about 5 months

listening to this type of thing. If I understand the gentleman correctly, he stated the Russians did not start on any research program for large propulsion rocket meteors until 1954. This differs from my understanding and I think I must have misunderstood the gentleman from Utah. The testimony I heard was that the Russians, using the German experts that were captured, started right after World War II. The other thing I heard was that we did not have any program because we—that was during the Truman administration—said, "No, we cannot develop this big propulsion system." Then with a defeatist attitude, we decided to do nothing, and the table that I included in the RECORD today will show that we did nothing. The Truman administration decided to wait until they got a breakthrough on a smaller warhead or as we might say "bomb load."

Mr. KING of Utah. Nothing I have said is to be construed as meaning that we were not in the missile field in 1954. My point was that at that time we had a decision to make. The decision was whether we concentrate on a smaller missile or go all out with a super missile. My point is that we made a fatal error by choosing the smaller instead of the larger.

Mr. THOMSON of Wyoming. But actually in fiscal 1946 the first money was appropriated in this country for a ballistic missile program. That was $1.9 million. Then World War II was over, and not a dime was requested or appropriated in fiscal year 1947. Then in 1948 only $300,000 was requested by the Truman administration because they thought they could not develop this big propulsion. In fiscal 1949 only $100,000 was requested in the budget, and in the next year, 1950, nothing. In 1951, $500,000; in fiscal 1952, $800,000. In other words, you had no program because they accepted this defeatist attitude. Then this breakthrough was made to the smaller weapons, and we went ahead with the smaller payload. We went ahead with the smaller thrust system, which was all we needed, but the Russians started right away on greater propulsion and now they have got a bigger motor. Militarily speaking, ours is just as good as theirs. We will soon have the bigger motors, greater propulsion for space because this administration also has gone to work on that.

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

Mr. RHODES of Arizona. I yield briefly.

Mr. PRICE. The figures the gentleman has been referring to was money actually expended on rockets. However, at that time there were under order the Snark project and the Regulus project.

I see the gentleman shaking his head. I happened to be on the committee that handled this in 1947. I would remind the gentleman that it was during those years that they originated and developed the inertial guidance system and most of the gadgetry in the rockets of today. This research and development was not charged to the Space Administration or charged to the rocketry program but was charged to the Air Force and the Navy. If it were not for the discoveries made in that research and development as far back as 1947 and 1948 you would not have the guts of the present missiles.

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

Mr. RHODES of Arizona. I decline to yield.

The Snark, as the gentleman knows, is an air breather, so is Regulus. Those are not true rockets.

Mr. Speaker, I cannot yield further. I want to button this up, if I may.

Operation Veracity has charged that there have been certain misstatements in the Democratic platform. We have had a debate. Members from both sides have participated, and I think it has been a very beneficial sort of thing. I would like to remark that at least—I say, at least—three-quarters of the statements which we stated were false have been unchallenged as false statements.

The gentleman from Ohio's statement that the statement of the Democratic platform—"The quality of medical care furnished to the disabled veterans has deteriorated under the Republican administration"—was untrue went unchallenged; no one challenged that fact.

Mr. WINSTEAD. Mr. Speaker, will the gentleman yield right at that point?

Mr. RHODES of Arizona. I am sorry; I cannot yield.

The gentleman from Wyoming [Mr. THOMSON] stated that the Democratic platform statement that "the Republicans discouraged this research"—referring to salt and brackish water conversion—was an untrue statement. His challenge stands alone. There has been no attempt to justify the statement in the platform.

THOMAS CURTIS from Missouri charged that the Democratic statement—"the Republican failure in the economic field has been virtually complete"—was untrue. His charge remains unchallenged except for some very fine cliches and renovation of old campaign speeches.

The statement by the Democratic administration—"the Republican administration has allowed the Food and Drug Administration to be weakened"—was challenged by the gentleman from New York [Mr. DEROUNIAN], and I do not remember any Member on either side stating that Mr. DEROUNIAN's challenge was incorrect.

The gentleman from California [Mr. HOSMER], challenged the statement in the Democratic platform—"it has stalled the atomic energy development." His challenge was not accepted by any Member of the other side.

The Democratic platform stated "but the Republican administration has replaced this sound policy with a national antilabor policy."

The gentleman from New York [Mr. DEROUNIAN] challenged this statement and no Member on the other side has disputed his challenge.

Neither has any Member on the other side disputed the challenges of the gentleman from Illinois [Mr. DERWINSKI] concerning the development of inland waterways; of the gentleman from Wyoming [Mr. THOMSON] concerning the allegation that the Republicans had had "no new starts," nor the challenge of the gentleman from Kansas [Mr. AVERY] to the statement concerning the weakening of the Nation's transportation system.

Certainly there was no successful contradiction of the challenge by Congressman NELSEN, of Minnesota, of the statement that the Republicans had "sought to cripple rural electrification."

In the items of defense, the farm policy, and space, there has been much debate. However, I submit to any fair-minded person that the statements made in the Democratic platform on these points which were challenged by the Republican Members have been proved to be misstatements.

I must also comment on the fact that at no time during Operation Veracity did the gentleman from Connecticut [Mr. BOWLES], the chairman of the 1960 Democratic platform committee, make an appearance on the floor of the House, even though he was specifically invited to be present.

The SPEAKER. The time of the gentleman from Arizona has expired.

HON. HENRY ALDOUS DIXON

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, I have listened with a great deal of interest to the debate on the House floor in which we have attempted to set the record straight. It has engendered some debate. The subject I am going to talk about I am sure will not engender debate; it is on the life and public work of HENRY DIXON, a colleague of ours who is planning to retire this year.

The gentleman from Utah, Congressman DIXON, as might be expected from his own unique, interesting, and genial personality, comes from a colorful family background. For example, his father was elected to be Utah's State treasurer on the Republican ticket and became concerned about the lack of revenue in this sparsely populated State. The senior Dixon heard of a new idea that had been tried by three States of taxing inheritances. Consequently he took a trip to the States which had enacted the law to find out how it worked and how much revenue was raised from it. He brought back his information and by diligent efforts lobbied an inheritance tax law through a reluctant Utah Legislature. The legislature even refused to reimburse his travel expenses yet within a few months after the law was enacted Averell Harriman's father died, and since Union Pacific was incorporated in Utah he left a small fortune to the new State. Almost simultaneously David Eccles, the father of Marriner Eccles who became Chairman of the Federal Reserve Board, died and left another small fortune to the State. With this money Utah built its attractive State capitol which it had long wanted to construct.

While his father was State treasurer, HENRY DIXON was a young boy growing up in Salt Lake City. He was adventuresome as were many of the other boys

in the area, and one day was caught by local police officers on a very minor juvenile offense. Although the offense was minor, that of climbing under a fence to see a ball game, ALDOUS DIXON'S father was horrified, particularly since the newspapers wrote up the story and listed his son's name, this being before the time that newspapers refused to print the names of juveniles who got into trouble.

Consequently, John Dixon went down and bought a large plot of land north of Provo, Utah, sent his son, HENRY, down there to convert this raw earth into a thriving orchard, thinking that keeping his son busy in this kind of endeavor would keep him out of mischief. Young HENRY succeeded and developed one of the most beautiful orchards in Utah County. This experience gave ALDOUS DIXON a life-long love of farm youth, since they particularly learn the value of work. The city hall in Orem today stands on ALDOUS DIXON'S former orchard.

Seeing the disadvantage that the farmers had marketing their produce, he subsequently organized and became the first president of the Timpanogos Fruit Marketing Cooperative.

He married gracious and attractive Lucile Knowlden whose father had been an honest-to-goodness western sheriff's deputy and had helped capture a number of real desperados from "Robber's Roost," but who retired into safer business activities.

HENRY DIXON later became the managing vice president of the Farmers and Merchants Bank in Provo, but after a certain length of time in this position, he decided that the real opportunity for service was in the field of education. He accepted a position as superintendent of schools in Provo—a position for which the board of education told him he would not need any further education himself. However, in his typical conscientious manner he decided that if he were going to be involved in educational administration, he should learn everything that could be learned about it. So he began the very arduous task of moving his family away to school every summer in order to gradually work to fulfill the requirements for a doctor's degree in educational administration.

Frequently when we see people who have made outstanding achievements we can look back to an earlier period of their lives and see the sacrifice that they made which laid the basis for the building of character and knowledge which contributed to their later achievements.

In writing his doctor's dissertation HENRY DIXON decided to write on the investment of permanent school funds in Utah. The people who managed the permanent school funds in the State were extremely uncooperative with his efforts to make the study. However, through assiduous perseverance he finally initiated and got well into the study. He uncovered so much corruption in the use of the permanent school funds that the legislature gave him a team of six persons full time to help him complete the study. Thus those who know Dr. DIXON'S remarkable combination of educational idealism and practicality will not be surprised to know that he is probably the only man in history who wrote a doctor's dissertation which was so practical that it put two men in jail.

In this combination of practicality and idealism HENRY DIXON is an outstanding exemplification of the Mormon people from which he was produced.

It is also typical of his perseverance that once he undertook to get his doctor's degree he did not give up even though the slow summer-by-summer process took him until he was 47 years old and had six children before he received that doctor's degree.

Incidently, Dr. DIXON'S doctoral dissertation was published by the University of Southern California Press where he received his degree, and I have been advised that to this day the school of education recommends that doctoral candidates study the Dixon book as a masterpiece of organization and clarity.

Another interesting characteristic about Dr. DIXON'S employment was that he had such a friendly personality that he was able to reconcile intense conflicts and bring order out of troubled situations. This had been the case when he took over as superintendent of the Provo schools and it was also the case in his next move. He was called to become president of Weber College in Ogden where they had been having some difficulty. He took the position and soon unified the faculty and the community toward the goal of building an outstanding junior college.

One of his first accomplishments at Weber College was also typical of his practical nature. He realized that so much college work had been traditionally theoretical and difficult for many individuals to profit from. Consequently, one of his first efforts was to secure funds from the State legislature to build a vocational education building to help upgrade peoples' skills during the depression and train them for jobs—particularly those who normally would find little of value in a college education. His foresight turned out to be prophetic in that World War II began not long after the vocational education program had been fully launched. As president of the college he cooperated closely with the Armed Forces which established major depots in the Ogden area, which is even today the biggest railroad freight reloading point west of Chicago. DIXON kept the vocational education building going in three 8-hour shifts daily so that the lights and machines and building were operating at full capacity day and night to produce airplane mechanics, welders, and various other semiskilled and skilled employees. He also honored these laboring men with the highest dignity. For example, he brought union leaders from each of the crafts in to serve as advisory committees for the various technical educational programs. He also set up what were the only known graduation ceremonies for participants in the vocational education programs.

Weber College has been ranked as having one of the best vocational education programs in the Nation. The program expanded and included training for policemen and an amazing number of other types of positions.

With the terrific community support that he generated for the college he made an agreement with the State legislature that the community would raise $50,000 if the State legislature would match the amount to buy land for a new campus at the base of the beautiful Wasatch Mountains in the southeast part of Ogden. Those were hard days to collect volunteer contributions amounting to $50,000, but Dr. DIXON succeeded. Incidentally one of his biggest contributions came from a former student body president of Dr. DIXON'S at Weber College, Willard Marriott, a name that we have all come to know here in Washington as an outstanding civic leader and president of the Hot Shoppes, Inc.

Dr. DIXON once more became a troubleshooter when after Utah State University, then called Utah State Agricultural College, called on him to come and be president of Utah's Land-Grant College. There had been a rapid turnover of presidents and here once more Dr. DIXON soothed the troubled waters and brought harmony between the faculty and board members, the Governor, the alumni, and the community.

After being at the helm at Utah State University for a year and a half, Dr. DIXON, a lifelong Republican, was brought to his current post in Congress by one of the most amazing routes that any Member of Congress has taken to get here.

Scarcely 2 weeks before the final election Utah was embarrassed at the revelation that one of its Representatives had greatly exaggerated his war record. A Republican Convention for the First Congressional District was called, accepted the incumbent's resignation of candidacy for reelection, and literally drafted Dr. DIXON to run for the spot. Some political scientists have written that there has never been a genuine political draft—that every apparent draft is manipulated by the candidate. Perhaps that rule is proved by the Dixon exception. This may be the only genuine draft in political history.

Dr. DIXON had every reason to want to stay at Utah State University. He had a higher salary than Congressmen received at that time, and he was truly interested in dedicating his efforts to continuing to build up the agricultural college. But the party convention literally drafted him with the apparent belief that there was no other man in the State who was so loved by all that had a chance of defeating an ex-Congressman with only about 10 days to campaign.

Dr. DIXON accepted the challenge and fulfilled every expectation of this supporters even though many of his good friends voted against him because they wanted to keep him in the State. In fact the night that the returns came in his family divided up into two rooms—those who were cheering for DIXON because they wanted him to win and those who were cheering for his opponent because they wanted him to remain in Utah.

Of course his victory was so spectacular that many House Members were intrigued to get to know him, which gave

him a very good start in his 6-year congressional career.

In his second election he won by 61 percent of the vote which tied for the highest percentage of the vote ever won by a Republican congressional candidate in the State of Utah.

Although he is now retiring from Congress, he never plans to retire from his constant life of service. He will teach two classes at Brigham Young University. Although he has worked with education much of the past 46 years it has been to a great extent heavy administrative work, and he wants now to return to his first love—teaching students directly in the classroom. In closing may I observe that our loss is your State and communities gain. Good luck and God bless you as you continue to serve humankind.

Mr. Speaker, today as we take this opportunity to pay tribute to a great American with whom all of us have had the pleasure to serve during the past six years, we are again reminded how important it is to have men and women who are able, knowledgeable, and dedicated to the great ideals left us by our forebears.

The story of this man's life is a part of the great American story of success through unselfish service to his fellow men, to his community, his State, and his Nation.

HENRY DIXON whom we honor today has served with us for 6 years now and he has chosen to retire and to turn the responsibilities of this office over to his successor and to return to his native State and former professional interest. To those of us who came here with him and came to know him so well, we hasten to point out that these past 6 years have been rewarding and pleasant years for all who have worked and served with him. These have been worthwhile years, too, for his district, his State, and his Nation. He gave to them generously and unselfishly the best from his own vast and varied storehouse of experience and knowledge.

Mr. Speaker, I now yield to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, let me say that I think it has been an inspiration to all of us who have served in Congress during the 6 years that HENRY DIXON has been here just simply to serve with him in the House of Representatives. It was my privilege to become a Member of the House in the 84th Congress, the same year that HENRY DIXON came in as House Member, and one of the greatest inspirations to me during the 6-year period has been the service of HENRY DIXON. He was elected as president of the 84th Republican Club because all of us who served with him respected him so highly. He has the most laudable and admirable personality, I think, of anyone that I have ever met. In short, he has the ability to speak his convictions, and I think in the two fields of agriculture and education all of us recognize today that he is one of the most thoroughly grounded and most familiar with the subjects of anyone in the House. I think that all of us feel that we have been given something that will lift us further than we would otherwise be lifted just because we were associated with HENRY DIXON during the past few years. It has been my privilege to meet his wife and the members of his family on a number of occasions, and they were truly an inspiration to me. In his retirement I know he will be busy, because it is in the nature of HENRY DIXON to be so. I wish for HENRY DIXON all of the happiness and success that all of us could wish him in the days to come.

Mr. SCHWENGEL. Mr. Speaker, I yield to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Speaker, I rise willingly and agreeably to add my tribute to those already given to my distinguished colleague, HENRY ALDOUS DIXON. The broad aisle separating the east half from the west half of this historic Chamber has a tendency to block the free interchange of friendship and personal confidence among its Members. But, in the case of Dr. DIXON and myself this has not been so, and I give full credit for that fact to Dr. DIXON. I am not suggesting that he has not played his part aggressively and courageously as a member of his party, and I am certain that his fellow party members are proud of his record. What I am saying is that Dr. DIXON is a Christian gentleman, a loyal American, a true friend, and that he does not allow partisanship to destroy fellowship.

When I first came to the Congress Dr. DIXON opened up his office and his heart to me. He gave me sound counsel on a number of points; suggested ways in which I could avoid some of the aches and heartaches and pitfalls that always accompany a freshman in this great body. I was glad to follow his counsel. He was as an elder brother to me.

I became very close, and I am now; and with all my heart I hope that that closeness of fellowship may continue through the years to come.

Dr. DIXON, I might add, is a member of the General Board of the Deseret Sunday School Union of the Church of Jesus Christ of Latter-day Saints, known generally as the Mormon Church. He has served in this capacity along with his many other responsibilities for many years.

His conduct has been exemplary. Always he has lived up to the high standards and ideals which he professes.

I think Dr. DIXON has an earthy quality; and I use the term "earthy" in its highest and most exalted sense. He has his feet firmly planted in reality.

He is approachable, in spite of the many honors which have been heaped upon him, politically, academically, religiously. Always he is approachable, always friendly, always filled with good humor, sage advice, sound philosophy.

I have enjoyed so much knowing his wonderful wife who has backed him up in so many ways and helped to create an exemplary family in every way. I deem Dr. DIXON to be one of the finest, closest friends I have. I wish him Godspeed in his new assignments.

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

Mr. SCHWENGEL. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I certainly want to pay tribute to one of the distinguished Members of the House who on his own volition is retiring from our midst. I cannot help but note as I look around, particularly on our side of the aisle, all Members present in the immediate area of the Speaker at least, came to Congress, as did the gentleman in the well addressing the House, in the same year as did our good friend from Utah, Dr. DIXON. Several of the Members at least who are here today, were here yesterday, possibly, when I had a special order to pay tribute to a retiring Member of the House from my native State of Kansas, Mr. REES. As I sat here listening to the tributes that are being paid to Dr. DIXON today, the thought occurred to me how much alike is my colleague from Kansas, characterwise at at least, and personalitywise, if you please, and the Member to whom we are paying tribute here this afternoon, the gentleman from Utah [Mr. DIXON].

Their legislative and professional careers, of course, are at variance. However, when you stop to think of the many things they do have in common—they are both very kindly persons; they are both extremely tolerant; they both have a very fine and delicate sense of humor; they have both raised very fine families; they are both living examples of the very principles which they espouse, that of honor, integrity, loyalty and devotion to duty and also, a might add, fear of God. I know that HENRY DIXON has had a very definite impact on my life, Mr. Speaker, not only as a Member of Congress, but also as an individual and as the titular head of my family. I shall certainly miss not only his wise counsel on the floor of the House of Representatives and in committees, as a committee member and as a witness, but I shall also miss my association with him as a tried and true friend and also, I think, as an inspiration.

So in summary I want to associate myself with everything that has been said in tribute to HENRY DIXON and to his fine wife and family.

I think if we could at this point inject a little different note, had I heard the recitation of the event about the offense committed by the gentleman from Utah [Mr. DIXON] in his youth from any other source than from the gentleman addressing the House from the well, I would have discounted it, because as I have known Mr. DIXON I can hardly conceive that he would have done anything in the slightest degree irregular. But I must accept it as being true in fact, coming from no less a source than the gentleman from Iowa. Nevertheless, I think that only makes him more human. It does not in any way detract from the high respect and dignity with which I regard him.

I thank the gentleman from Iowa for yielding to me that I might pay my personal tribute to Dr. DIXON.

Mr. SCHWENGEL. I recited this only to point out a lesson from which we could all learn, that it was a part of his life and it ended in fine fashion. It had a salutary effect on his whole experience, on his life. It made him the personality that he is and made it pos-

sible for us in a way to share some of his experiences.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. THOMSON of Wyoming. Mr. Speaker, I know of no man, not only in this Congress but in this life of mine, that I have had the opportunity to meet and come to know for whom I have a more profound respect, high regard, and deep affection than to the gentleman from our neighboring State of Utah, who will be leaving the Halls of Congress by his own choice at the expiration of this term—Congressman DIXON, affectionately known to all of us as Dr. DIXON.

Dr. DIXON and I came to Congress in January 1955 at the same time. Because of our community of interests, coming from the same area, we have worked closely together. I have come to know him in ways that few Members of Congress can, because whenever I am traveling in the western part of Wyoming along the Utah border, particularly when I am campaigning and shaking hands, and I run into somebody from Utah I say, "How is my good friend Dr. DIXON over there?" I can pay no greater tribute to him than to say that whether it be Republican or Democrat, whether it be a workingman, a salesman, or a banker, and we have many people from Utah coming into Wyoming at that time of year for recreation, never have I had anyone respond with anything but high words of tribute to this really fine man. I know that they spoke from their hearts, and in spontaneous terms.

That is the way we, too, feel about him who are familiar with the services he has rendered to his community, his State, and his Nation. The people in Utah are grateful, we here are grateful, and the people of the Nation are grateful and fortunate that he has performed that service. I think about his dedicated support of the upper Colorado River storage project. I know that throughout his life he has dedicated himself to the service of youth. I think his service in Congress could be characterized as the carrying forward of that dedication. With respect to the upper Colorado and reclamation, I know his great concern was to make Utah and that part of the United States a better place for youth to grow up in and find a better way of life. I think of his dedication to a sound agricultural program and the guidance that he as a member of the Committee on Agriculture has given to us through his service here in Congress. I also am quite familiar with his stand on other issues of our time. I think all of this is a living memorial to his unselfishness and his dedication to the youth of our country. Throughout his life his service has been characterized by an effort to make this country a better place for young people to live and to provide for them an ever higher standard of living and more opportunities.

I do not believe in the city of Washington, Dr. DIXON has three greater admirers or three stancher friends than my three boys. If they could speak here in this Hall of the House of Representatives, even though they are but 8, 14, and 17 years old, they would speak from their hearts, and they could say this better than I, because he has touched them as he has touched every Member of the Congress. He is dedicated to the work of the Lord whether it be in his church or in the Halls of the Congress. In everything he has ever done, as I have observed him, he has been dedicated to the proposition to search for that which was right and then to champion that cause with everything he has.

My wife Thyra and I have come to know and to love his lovely wife, Lucille. I know they are planning to return to their State of Utah, to their home not far from the borders of Wyoming.

Mr. Speaker, I take pleasure in this one thought at this time of the departure of Dr. DIXON from the Congress of the United States and that is I hope and trust we will have occasion to be associated together back in our home States over a long period of time. I wish for him and his family many, many years of real happiness with a little more leisure to go hunting and fishing, which I know he enjoys so much. Mr. Speaker, I hope we will see him often.

Mr. SCHWENGEL. Mr. Speaker, I yield to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Speaker, I thank my colleague, the gentleman from Iowa not only for yielding to me but for making it possible for me as well as other Members of the Congress to pay tribute to our very good friend and respected colleague, the gentleman from Utah [Mr. DIXON]. The Congress will be a poorer place because of his decision to retire voluntarily. The people with whom he will come in contact in his future life will be the richer because of that decision which he now makes. Dr. DIXON is the type of person who is best characterized by the words "sterling integrity." Not only because he is a man who believes deeply in his religion and in his God, but because he also believes in his fellow man and in the inherent goodness of his fellow man. I am sure that no Member of the House of Representatives, in fact, no person who has ever known Dr. DIXON can say that he has ever been guilty of a mean thing or of anything that is unworthy of the highest standards of manhood and of the profession which he has chosen, that of teaching young people. Although his contributions in the Congress have been great, probably his greatest contributions have been and will in the future be in the field of education. His church is establishing a new university in my district. I mentioned this to Dr. DIXON once and suggested that, perhaps, he could tear himself away from his native State of Utah and come on down and let those of us who live in Arizona have the benefit of his wisdom and the benefit of the fine company he affords to all of his friends.

I repeat that invitation and do so with all my heart. I am sure that he would make a fine citizen of any State, and I am more than sure that he would find he has more friends in the State of Arizona than even he can realize. I have come to know Dr. DIXON not only personally, but by reputation because he has many friends living in my hometown of Mesa and in the city of Phoenix—not only friends but relatives. I know of no person who has not the highest regard for him as a person, as an educator and as a legislator. It is my great privilege to wish Dr. DIXON and his wife the best of everything in the days to come and to assure him that he has made friends in the Congress, friends that he will never be without. I hope our paths will cross frequently in the days to come and that I may be privileged in some way to be of service to him in any manner that he may choose as time goes on.

Mr. SCHWENGEL. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. WEAVER].

Mr. WEAVER. Mr. Speaker, I, too, want to join with my colleagues on the floor in paying my respects to the distinguished gentleman from Utah, my friend and colleague, Dr. DIXON.

Along with most of my colleagues who are now on the floor it was my privilege to have first met and become acquainted with Dr. DIXON at the beginning of the 84th Congress. Since that time I have found no finer friend in the Halls of Congress than Dr. DIXON.

Dr. DIXON is a very kindly man, a man of great talent, a man of great ability, and a man who has been completely devoted to the task of doing his job properly for the people of Utah as well as our country as a whole.

My service in Congress, I feel, has been the better because of my friendship with Dr. DIXON. I certainly join with my colleagues and wish him and his splendid family well in the days ahead, and I hope that in those days ahead he will take time to come back and say "hello" to all of us.

GENERAL LEAVE TO EXTEND

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the public service of HENRY DIXON.

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

There was no objection.

Mr. PIRNIE. Mr. Speaker, it was with deepest regret that his colleagues in the House learned of Dr. DIXON'S decision to retire from the Congress upon the completion of his present term. Those of us who have been privileged to be closely associated with him have appreciated and admired his quiet efficiency, his deep understanding, and his gentle firmness. To his tasks he has brought a truly dedicated spirit and in the performance of his duties he has displayed sound judgment and keen perception. He has gained our complete respect and won our enduring affection.

Dr. DIXON has achieved a record of service seldom equaled. The problems of his constituents have received his careful and skillful attention. He has been proud to represent them and has evidenced this pride by loyalty to their needs and proper interests. Absorbed as he has been with these countless personal services, he has encompassed

with his study and advocacy all the great problems and issues, domestic and foreign, which have highlighted his years of service. He has sought to guide this country along paths of progress and real service to mankind.

With dignity and skill he has represented faithfully the people of his district and the welfare of his Nation. He has earned retirement status but we understand he will return to the halls of learning which have claimed a major portion of his life. In leaving this Congress, he takes with him the very best wishes of the Members of this House and the gratitude of the people he has served so well. He will be blessed with all the happy memories loyal and unselfish service to his country inspire.

Mr. HOEVEN. Mr. Speaker, Dr. DIXON is one of the most beloved and one of the most highly respected Members of the House of Representatives. He is a unique person, having all of the qualities of a kind, gentle, and considerate individual. In short, he is an outstanding Christian gentleman.

Dr. DIXON by reason of his training and experience has been closely associated with the problems of American agriculture. He has been intensely interested in agricultural research and in that particular field he has contributed much to the writing and presentation of research legislation. His fine services will be solely missed by the Committee on Agriculture.

Dr. DIXON has been a conscientious Representatives and his retirement gives us a keen sense of loss. My best wishes go out to Dr. DIXON for good health, happiness, and success in all of his future undertakings.

Mr. THOMPSON of Texas. Mr. Speaker, ever since I heard of the coming retirement of the Honorable HENRY A. DIXON, I have had a constant feeling of regret that the Congress must lose the services of this able and genial Member. From the first time I met him, HENRY and I have always "clicked." We have worked side by side in the Committee on Agriculture and I cannot recall a single instance when we differed on fundamentals. On minor political matters, maybe yes. But on fundamentals, definitely no.

HENRY combines an unusually fine and analytical mind, with a lovable and warm personality. I can easily understand why he was such an outstanding success in his former profession of teaching prior to his coming to Congress. We shall all miss him.

I, for one, take comfort in the fact that he is not retiring from all activity and that his home country out in Utah will again claim him, after the close of the present Congress.

HENRY is and has always been one of our very best. May his successor be half as good.

Mr. McINTIRE. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to say that it is with a certain sense of sadness that I avail myself the privilege of paying tribute to a Member who will not—because of a decision to retire—be with those Members who meet at the inception of the 87th Congress: the distinguished Member from Utah, Mr. ALDOUS DIXON.

Mr. DIXON has given outstanding service to his constituency, displayed dedication, devotion, and love for his country, and exhibited great compassion and understanding for his fellow man. He is a man possessed of the highest of ideals, applying these in his everyday living, and these are supported by a deep religious conviction. In him do we truly find a personification of real character, and through him do we really see the operation of those principles upon which America was built.

"Doc" DIXON came to the Congress after distinguishing himself in Utah as a leading educator, and he was, in fact, the president of the land-grant college in his State. His intelligence and broad experience combined to make a very valuable contribution to the function of the Congress, and in serving with him on the House Committee on Agriculture I have had the opportunity of availing myself of his sound counsel.

I have had an additional pleasure, for it has been Mrs. McIntire's and my privilege to have a personal acquaintanceship with Dr. and Mrs. Dixon, as well as members of their family. We have found all of them to be truly wonderful persons.

These fine folks will certainly be very much missed in the environs of Washington, but the harsh aspect of their absence can in some respects be tempered by the realization that these vigorous persons have earned their just due of a less strenuous life. I would, however, venture to say that the luster of activity will never depart from their future lives, for their love of and interest in their fellow man will continue to lead them into the dynamic current of social service.

Mrs. McIntire joins with me in extending to "Doc" and Mrs. Dixon our very best wishes for the years that lie ahead, and it is our fervent hope that these will be replete with good health and great happiness. We would also like to say that our lives—having touched theirs—have become fuller, richer, and deeper.

Mr. REES of Kansas. Mr. Speaker, before leaving the House of Representatives, I want to join with my other colleagues in paying respects to a distinguished American who is retiring from Congress this year.

The Honorable HENRY A. DIXON is one of the finest characters I have known. He is an educator. He is a scholar. He ranks high as a legislator. Dr. DIXON has contributed much to legislation during the time he has been in Congress. His views and his influence have meant much to other Members. The Congress and the country are better because of the services of Dr. HENRY A. DIXON.

Mr. BUDGE. Mr. Speaker, it is with sincere regret that I join other Members of the House in bidding farewell to Dr. HENRY ALDOUS DIXON. Dr. DIXON, in addition to being a neighbor of mine in political districts, is a close personal friend and one for whom I have the highest regard. Since he represents Idaho's neighboring State of Utah, we have had many things in common, due to the similarity in natural resources and the interests of our constituents. We have found ourselves on the same side of most, if not all, political questions and particularly those involving the basic rights of the individual and the development of our natural resources. It has been a pleasure to join with him in championing the supremacy of States rights in the matter of control and use of perhaps the greatest resources within our States, that of water, and of sponsoring legislation to authorize projects which provide for the growth and development of our area.

As I recall, Dr. DIXON was drafted by the citizens of the Second Congressional District of Utah late in the campaign of the year 1954, and with reluctance on his part, since he had never before sought public office. He was at that time president of the fine Utah State Agricultural College at Logan, Utah, which is now known as the Utah State University. Prior to that time he had served for many years as president of Weber Junior College in Ogden and had served in numerous other assignments in the educational field.

I know from personal discussion with my colleague of his great love for these United States and for the Constitution of this great Nation. We share similar basic beliefs that this Constitution was divinely inspired. I am sure it was because of this strong conviction that he agreed to become the Republican candidate which resulted in his election to the 84th Congress. This was his first attempt at either a State or National political office, and I am sure he is a member of a rather select group who can claim the distinction of being elected on the very first try, of having served in successive Congresses without defeat, and of retiring through his choice.

His devoted service in the House is known to all of us, and more particularly to the members of the Agricultural Committee on which he has been an active member. Dr. DIXON is a man with high ideals and yet he has the common, sympathetic approach to all problems of society. As I have indicated, he left the rather quiet atmosphere of the college campus and the classroom to respond to the call of his party and enter the hectic activities of a political campaign. He has continued as a campaigner here and proven himself to be not only an unusually well qualified legislator, but a most courageous one as well.

It is with deepest respect that I pay tribute to his service as a distinguished Member of the Congress, a great defender of Republican ideals and a man with great religious faith. As he leaves the Washington scene to join the faculty at Brigham Young University, I know we will miss him, but I also know that he will be an inspiration to the many students who come under his striking personality. I can only hope they measure up to him.

RUIN FOR THE DAIRY FARMER

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. STRATTON. Mr. Speaker, the other day the gentleman from Pennsylvania [Mr. CURTIN] took the floor of the House to discuss at some length a situation that has developed in his district in northeastern Pennsylvania along the border of New Jersey which affects certain dairy farmers in his area who ship and have traditionally shipped some of their bottled or packaged fluid milk across the Delaware River for sale in New Jersey.

Under the present Federal Milk Marketing Order No. 27, which applies to New Jersey as well as to a substantial portion of New York State, including, I might add, a sizable portion of the 32d Congressional District of New York, which I have the honor to represent, anyone who sells the fluid milk within the limits of the order area is required to pay into a common pool a certain portion of his receipts for this milk for the purpose of establishing a certain fixed and fair price both for fluid milk and for manufactured milk applicable to all producers selling within the designated area.

I am sure it is not necessary to dwell at length with the Members of this House on the details of this milk order procedure, which are already familiar to most of you, especially those who represent dairy areas. Similarly, it is not necessary to dwell at length either on the reasons behind these milk orders, even though they are somewhat different from procedures usually followed by manufacturer or businessman.

Briefly, the State and Federal orders to which the gentleman from Pennsylvania referred were originally set up in New York State back in 1938 under President Roosevelt and Governor Lehman and a companion order was subsequently established for the State of New Jersey in 1957. The purpose of the orders, of course, was to prevent the economic disaster that had hit the dairy farmer in the past as a result of drastic shifts in the supply and demand for fluid milk and which had upon occasion led not only, as you will recall, to milk strikes with fluid milk running away into the ditch, but even to outright violence. These orders have succeeded remarkably well in eliminating that kind of disaster and they have brought a high degree of stability to the milk marketing areas they affect.

They do this by creating what are known as market pools under which all producers of fluid milk selling in a given area share in the benefits of the high prices that are paid for milk used for fluid consumption and by the same token also share in the burdens of the lower prices that are paid for milk which falls into the extra reserve or cushion part of total production used for lower-priced manufacturing purposes. Without this kind of pooling or sharing arrangement all milk producers would be scrambling for the higher price outlets and the result, of course, as has occurred so often in the past, would be a break in the price structure and disaster for all the milk producers involved. The bigger the market area the more the producers who are damaged.

The New York and New Jersey milk marketing orders for example, which have been supplemented by a Federal order which was expanded in 1957 to take in an even larger zone, now cover some 50,000 producers and one and a third million dollars worth of milk a day is being distributed and sold in the area of these orders.

To make a pool arrangement like this work there must, of course, be a careful definition of the milk which is to be included in the pool. And such rules must be spelled out by regulation and designed so carefully as to be enforceable against violation. Without drawing a careful line as to the area affected, each pool could easily cover the whole country and then, of course, the effectiveness of the order would be lost.

Naturally, any definition of such an area involves the exclusion of areas as well as the inclusion of other areas. Fringe, periphery, and borderline situations are bound to develop and these, of course, have to be dealt with, too.

Now while this order No. 27 has not been perfect in all respects, as nothing produced by mere mortals can ever be perfect, it has indeed introduced an element of much-needed stability into a situation which was not only unstable but fraught with economic and even political disaster. As a result, even though the farmers and cooperative groups which represent them may disagree from time to time with regard to some of the provisions or price levels that are established by the milk marketing administrator under the order, I think it is fair to say that all of them are united in believing that the existence of the order is essential to their own economic stability and they would naturally view with great alarm any attempt to destroy this piece of governmental action which has over the years brought so much to them in the way of economic benefit.

Now, Mr. Speaker, as I understand the situation, the case to which the gentleman from Pennsylvania [Mr. CURTIN] referred had to do with producers of milk whose plant was physically located, as I have said, outside the specific area delineated by the New York-New Jersey Federal Milk Marketing Order No. 27, specifically the Lehigh and Suncrest concerns. Over the years these producers had, however, sold a portion of their milk across the river in the State of New Jersey, within the boundaries of the order. In an effort to deal with the various fringe situations to which I referred a moment ago, the order provided that those who sell all or a portion of their milk within the order's area, like the gentleman's constituents, must be prepared to play according to the rules. They are permitted to pool either a portion of their milk returns based on the percentage of milk which they sell in the marketing order area, or to pool all of their returns, whichever they prefer.

Frankly, the arrangement strikes me as being eminently fair. No one has to play the game, but if he does play the game certainly he should expect to play it according to the rules. No one has to sell milk within the area of a marketing order, but if he desires to take advantage of the area affected by the order, then he should be expected to abide by the rules which set it up. Yet the gentleman from Pennsylvania has objected to the requirement that his constituents should be required to pay even a portion of their funds into an arrangement designed to be of benefit to all of the farmers of the area.

Because his constituents live outside the geographical boundaries he believes that they should therefore be exempt from the provisions of the law, even though in fact they are one of the group of producers selling within the zone covered by the law. And so vigorously do his constituents feel about this matter, Mr. Speaker, that they have taken the matter to court, as the gentleman explained in his remarks the other day, and are seeking a judicial determination that the order, which has these provisions with which they disagree, should be thrown out and wiped from the books.

Now let us make no mistake about this, Mr. Speaker. This would certainly be the result of the suit by the gentleman's clients, Lehigh and Suncrest, if they were successful—to destroy the whole order. Because if one producer can move into the order area and can ignore the provisions of the order with impunity, then, of course, any other producer can do the same thing and thus provisions and controls which have been built up carefully over the years in an effort to avoid the economic chaos and violence that occurred to the dairy farmer in the thirties would be eliminated.

This problem of the more remotely distant occasional bulk shipper not regularly associated with a particular milk market who might like to unload unmanageable surpluses upon the market, Mr. Speaker, was met way back in 1945 by providing that they pay into the pool on the amount they shipped at a rate sufficient to represent their effect on the pool in displacing regular pool milk. This provision was put in in 1945 after several amendment hearings.

The problem, which the gentleman's constituents face, of a fringe distributor selling principally outside the market but with some sales coming into the area in his own packages and vehicles, did not arise, I am informed, until 1957 when the order was extended to include milk produced for northern New Jersey and the southeast portion of upstate New York. There were no such periphery operators previously, because the original marketing area—New York City and Nassau, Suffolk, and Westchester Counties—did not have adjacent land areas except sparsely settled northern Westchester. However, when the area was extended, some actual and much potential distribution on both sides of the market bounds had to be considered.

Therefore, the rule now being attacked was provided. The remote bulk non-pool shipper had been allowed to pool, that is to pay in, only on the amount he shipped; but when the area was extended, the fringe distributor

with a small percentage of his business inside the area was given the privilege of total pooling, in case he did not like to pay in on only the amount sold inside the area. The two concerns in eastern Pennsylvania who reside in the gentleman's district do not want either to pool fully or make this partial payment.

Regular pool handlers with whom these two compete in distribution all have to make payments to the pool for the benefit of all pool producers on this high priced fluid utilization, but these two concerns desire to keep such moneys solely for the benefit of their own producers. Many regular pool producers who have all fluid sales could get much apparent benefit by the same treatment, but they realize that to do so would break down the whole principle of marketwide pool equalization, force a fight for fluid markets at cut prices, and break the entire price structure to ruinous levels.

I might say that all the producer organizations of New York, New Jersey, and Pennsylvania, except Lehigh, are in this case on the side of the Government as friends of the court. These number 130 all of which, except 2 operate on a much smaller scale than Lehigh. It is the third largest in the area.

Of the 29 country milk plants that receive milk from about 3,000 producers in my district, 5 are owned and run by 1 single plant operating cooperatives, 6 by a multiplant operating cooperative, and the other 18 by dealers at each of which the producers are members of one or another of 4 cooperatives which represent them in bargaining for the sale of their milk. All of these cooperatives have entered this case as friends of the court on the side of the Government.

These cooperative groups frequently disagree with determination of the USDA on provisions or price levels in the regulatory orders. They are firm, however, on their insistence on the provision being attacked by these two Pennsylvania concerns because they know that the orders cannot exist without it and the orders have proven to be their only method of price stabilization needed to keep their farms financially sound.

The States of New York and New Jersey have also come into this case, along with the largest cooperative in New England, as friends of the court on the side of the Federal Government.

In fact, if the New York and New Jersey order is stricken down, then 50 other similar orders across the Nation would also be stricken down, with ruinously low prices to the milk producers affected as the result.

In addition, the gentleman from Pennsylvania has also introduced a resolution, House Resolution 625, calling for a congressional investigation of the operation of this order in the light of the gentleman's contention that the order is not in the public interest.

Now I have no desire, Mr. Speaker, to take issue with the gentleman from Pennsylvania in his very proper desire to represent his constituents. All of us here are trying as best we can, of course, to do precisely that. But I am concerned, Mr. Speaker, that in representing his constituents in Pennsylvania the gentleman is proposing to destroy an economic arrangement under which thousands of dairy farmers in my district of New York have been living and doing business for years and which all of them regard as being absolutely vital to their own economic health and well-being.

I think it would be most unfortunate, Mr. Speaker, if the gentleman's remarks about the operation of the order were to go unchallenged on this floor or if the impression were to be gained, particularly now that this case is currently pending in the courts, that this House by tacit consent supports the gentleman's contention or his desire to upset those arrangements of law which have brought peace and stability into so much of the dairy industry. I think it is important, Mr. Speaker, that since this matter is pending in the courts, we take no action here that would appear to be forcing the hand of the judiciary.

I, for one, believe that it would be disastrous if this order were to be upset. The result would be ruin for the dairy farmer and we would be back again in the dark days of milk strikes and dairy truck violence. I hope and pray that day will never come again. So let us stand firm behind the dairy farmers of our Nation. Let us support them in their efforts to live their lives and conduct their business with security and stability and dignity. Let us continue to adhere to the American principle that he who desires to play the game must play it under the same rules as are followed by everyone else. And let us not even unwittingly act to stir up controversy and dissension within the dairy industry but rather work to promote and extend the kind of economic stability which has been such an important byproduct of the milk orders set up so many years ago.

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I rise to agree most earnestly with the remarks of the gentleman from the 32d New York District, Mr. SAMUEL S. STRATTON.

The gentleman from New York has said everything that needs statement at this time in this matter, that is, that the Congress should not interfere with the orderly procedure of the court cases testing the legality of the compensatory payment provisions of the New York and New Jersey State and Federal milk producer price orders.

I have three such order plants in my district with approximately 600 producers delivering to these plants. These producers, through their cooperative organizations, have come into this case as friends of the court on the side of the Government.

The principal point I want to make is that this is not a partisan matter between States or political parties. It is true that the Lehigh Cooperative is a Pennsylvania concern, but it is the only one of the 130 cooperatives affected by the price orders in question, which is not in this case on the side of maintaining the provision of the orders attacked by Lehigh.

Pennsylvania dairy farmers have a most important stake in the maintenance of the New York-New Jersey Federal milk order as it now stands. Some 12,000 of our dairymen are producing milk for this New York-New Jersey market. This is more than the combined totals of our Pennsylvania dairymen serving the two largest markets within the State—Philadelphia and Pittsburgh.

A majority of these 12,000 dairymen are members of some 36 cooperatives operating in Pennsylvania who are on the side of the Government in support of the milk order and the contested provision.

Let the interests of all these dairy farmers, including those of the Lehigh Cooperative, be adjudicated by the orderly processes of the courts which presently have jurisdiction.

FARM POLICY AND FARM PROBLEMS

The SPEAKER pro tempore (Mr. KING of Utah). Under the previous order of the House the gentleman from Missouri [Mr. RANDALL] is recognized for 15 minutes.

Mr. RANDALL. Mr. Speaker, before this short session adjourns, I feel it is appropriate to attempt to round up a not too elongated résumé of some of the thoughts or thinking of several different groups or viewpoints which seek to analyze our farm problem.

I wish to make it very clear and plain that I do not profess any claim to authorship to these ideas, nor do I suggest they are new or original, or exclusive to all other approaches. Instead my objective is to simply restate some of these thoughts as a sort of recapitulation, or as an outline of suggestions dropped into the hopper, with some possible value as a stimulant to further thought on this most complex problem.

If I may be permitted to do so, I would like to present these thoughts in outline form:

I. IMPACT OF THE FARM PROBLEM ON THE REST OF THE ECONOMY

I read where steel production is operating only at a little over 50 percent of its capacity. Certainly steel is one of the keys to our industrial well-being. We must hasten then to note that farms are still steel's largest civilian customer. Steel followed the same pattern in the 1955–56 farm recession, and if we have any hope of stabilizing our entire national economy, and in particular in the steel industry, then one of the first and most important steps must be the stabilization of prices in agriculture, which is our largest basic industry.

The low per capita income of agriculture States has even resulted in shifts of population to industrial areas. What happens? There are no new jobs in these latter areas and yet an effort must be made to make room for this new labor supply. One suggested solution is the shortening of the work week. But

in the event of a depression, large urban population represents a real threat to our economy. Certainly it is preferable that the population be not so falsely and suddenly concentrated, but remain distributed in a balanced pattern throughout our vast agricultural areas.

Another facet to this problem is that the reverse of such a trend can sometimes be observed. An area low in agricultural income will be forced to offer tax-free industrial sites, and enact such legislation as right-to-work laws—in a desperate last-ditch effort to attract industry from other States. A careful observance of this sort of thing will lead to the conclusion that the farm problem—if it remains unsolved as to one State—represents a direct threat to neighboring States.

II. THE PROBLEM ITSELF

At the base of the pyramid, as one of the major elements in this problem, is overproduction. Technological strides in agriculture have been almost beyond imagination. One of the great changes is from horse and mule power to tractors. This power source in years past consumed a lot of the grains produced. The iron horse consumes only gas and oil. In years gone by, the horse and mule consumed the product of about 80 million acres of land. But those remaining today consume the product of only 10 million acres of land. In the last 25 years, we have seen the switch from old varieties to hybrid corn, improved strains of wheat and other grains, plus the widespread use of commercial fertilizer. It appears unlikely that in the future, progress in technical improvement will continue at the same rate of pace that it has in the past. This fact taken alone should be helpful to the surplus problem and cause the production curve to flatten. But one thing we must all remember is that as the production curve rounds out, there is another curve to reckon with. Apparently there is but one way for the population curve to be plotted on the graph and that is upward. These two trends going in diverse directions should accomplish a permanent solution to the surplus problem within the years ahead. But our problem is now—this year and the next few years, which leads us to an analysis of another phase of the problem itself, and this is our marketing system.

True, great strides have been made in production, but then we must ask ourselves if we can equally well apply our intelligence and wisdom in an equally efficient manner to the marketing of this production. Here again is one of the basic blocks at the foot of the pyramid and one of the most important factors to be included in building a solid foundation for a solution to the problem. It starts with the recognition that most of the world is hungry, that actually there is no food surplus—in terms of supplies over total human needs. Rather there is only a surplus which our present marketing system cannot dispose of with a reasonable return to the producer. Stripped bare, our marketing system is not much more than an auction, but with one advantage and that is its ability to move an almost unlimited amount at some price. But let's underscore the words, "Some price," which certainly holds no hope for the producer, the American farmer. Any incentives in this present marketing system are ordinarily set up by the processor, and one must remember that the incentives are usually set up for the benefit of only the processor. As to these incentives, no consideration is given to such things that might aid producers in leveling out livestock cycles.

Our domestic marketing system is not geared to the opening up of secondary markets at home or abroad and is not well coordinated with Public Law 480. In the marketing system itself, there are no mechanics at all to adjust supply to effective demand, other than Government legislation—which enforces this adjustment part way.

III. ABSENCE OF BARGAINING POSITION

A good part of the trouble comes from the farmers' inability to bargain. He walks into the marketplace with hat in hand and says "What will you give me?" Then, later when he goes to make his own purchases he is told what the price will be, on a take-it-or-leave-it basis.

On the one hand, there are millions of producers who are dealing with the processing industry, which is dominated by a few giants who set prices and market policies. These processors are the ones who have been most critical of price supports, but it is these selfsame price supports that have given the millions of producers the only bargaining ability that they today possess.

IV. FUTURE FARM PROBLEMS

It might be unwise and even impractical to detail with great particularity the specifics in a new farm problem, but certainly it is possible to set down broad guidelines for such a program.

First. Any solution should recognize the necessity of maintaining agricultural price structure in balance with the industrial price structure. It is suggested this can be done in the following two ways: Price supports and deficiency payments.

Certainly the first has the advantage because it need not involve large Government appropriations.

Second. There should be a recognition of two paramount problems: The present low price-surplus emergency; and long-range market developments.

In my opinion, any current land withdrawal program should, because of present huge surpluses, be financed by payment-in-kind. This would accomplish a good result in that less feed grain would be fed back into the livestock economy than would be normally produced. Further, such a proposition would serve a dual purpose. It would cut storage costs and at the same time reduce the otherwise large appropriation necessary for land withdrawal. Such a land withdrawal program should be approved only after the necessary food reserves have been carefully determined, allowing for hostilities, disaster, and drought, and only after being carefully keyed to the plan for "food for peace," when these plans have been fully explored.

An alternative to land withdrawal plan, financed by a payment-in-kind, would be the mandatory allotment program, very similar to the old allotment program but with much tighter controls and cross-compliance. For my part, I would favor such mandatory or forced allotments only after a referendum vote by farmers, bearing in mind this mandatory allotment and the land withdrawal supported by payment-in-kind are all the time to be classified as emergency measures.

After the emergency period is past, it is time to pursue a marketing expansion program with the ultimate and eventual goal to be full production for American agriculture, limited only by sound soil conservation practices.

It is my opinion that in this entire effort, farmers should have not simply the right which should certainly exist in a democracy, to have a referendum to vote for the particular program, but should be given substantial responsibility in setting up, administering and financing these programs. Bargaining position can be improved through Federal marketing orders. This bargaining should be aided and improved by granting authority to certain commodity crops, to limit production, after national needs are satisfied. Not only farmer responsibility must be encouraged, but also there must be farmer realization that he must share in the cost of surplus disposal. Producers—farmers—should be given the tools to maintain price levels that will return the cost of production, plus a reasonable profit, but it must also be brought home to these producers that surplus production beyond market needs is his own responsibility and the farmer must either not produce an excess, or if he does, be willing to share in the cost of disposal of the excess.

I think most farmers as individuals realize the problems and are willing to cooperate to solve them. It is the place of the Government to provide the legal means necessary to implement corrective group action.

In a final word, the program which provides the most lasting benefit and solution will be that program which gives farmers the tools to help himself and to be financed by these farmer producers.

WE NEED A MORAL AND SENSIBLE FOREIGN POLICY

The SPEAKER pro tempore. Under the previous order of the House the Chair now recognizes the gentleman from Oregon [Mr. PORTER] for 60 minutes.

Mr. PORTER. Mr. Speaker, we need a moral and sensible foreign policy. We do not have one today. A Johnson-Kennedy victory on November 8 will give us such a policy. A Nixon-Lodge victory will not.

Our foreign policy has not been moral. The Republican administration has treated tyrants as though they were respectable and worthy of our friendship. Our foreign policy has not been sensible in other respects. The Republican administration endorses disarmament but refuses to invite China to the conferences where the agreements must be negotiated and to which China must

be a party. The Republican administration repeatedly stresses the pressing necessity for disarmament and a world under law, yet its actual efforts in these directions are puny and without conviction.

It is not surprising that our prestige has declined alarmingly among the freedom-loving peoples of the world. We appear, with some reason, to be both hypocritical and ignorant. Actually, as a nation, we are neither. We truly hate tyranny. We deplore governments based on cruelty and corruption. We truly want a world where disputes among nations will be settled by law, not force. We truly wish to share our resources, our know-how and compassion with the hungry, the miserable, and the oppressed of the world.

DISCARD REPUBLICAN POLICIES

For a moral and sensible foreign policy we must discard the Republican administration's immoral and senseless policies which have led us to chaos and discord. Persisting on the present course can only lead to disaster—complete, irrevocable disaster for all mankind.

Last month in Chicago our colleague, the distinguished gentleman from Minnesota [Mr. JUDD], took a somewhat different view in his keynote speech at the Republican Convention. I shall refer to his remarks as I discuss three recommendations for a moral and sensible foreign policy. I notified him yesterday of my intention. At the conclusion of these remarks I shall be glad to hear his comments as well as those of other Members.

There is a wide area of agreement as to foreign policies. We all agree that our Nation, born as it was out of a revolution against tyranny, opposes slavery and endorses freedom. We all agree that we must remain strong and that any disarmament must be accompanied by appropriate safeguards.

We all agree that our terrible weapons, atomic, biological, and chemical, not only burden our people with tremendous taxes but offer an increasing threat to the survival of mankind. We know that the possibility of war by accident increases daily and will be as universally lethal as intentional war.

It is right and sensible that we promote freedom. It is sensible that we seek a strengthened United Nations, an end to the deadly and expensive arms race, and a beginning of a massive and far better use of our ingenuity and resources in the conquest of poverty, of the ocean depths, of outer space, of the many other frontiers where men can collaborate constructively instead of fighting each other in fear, hatred, and despair.

FREEDOM VERSUS SLAVERY

The Republican keynoter said in Chicago that, "The gravest issue of our century" is human slavery—"masses of men enslaved by governments." He asserted that the Republican Party stands for freedom and against slavery. No doubt he is correct but the fact is that the Republican administration has not demonstrated its adherence to that stand. This brings me to my first recommendation.

ACTS, NOT JUST WORDS

First. Honor by acts, not just words, our belief in freedom. The late Secretary of State, Mr. Dulles, a sincere and able man, set up our standards of friendship with other nations; namely, are you with us against the Soviet Union? It didn't matter that a nation's government was a tyranny. All that mattered was its anticommunism or purported anticommunism.

I found this out joltingly when I first came to Washington as a Member of Congress nearly 4 years ago. Gerry Murphy, a constituent of mine from my hometown, Eugene, Oreg., disappeared in the Dominican Republic under circumstances that strongly suggested murder at the order of Dictator Trujillo.

When I demanded appropriate action, the State Department tried to persuade me to join them in forgetting about the event. Gerry was just an adventurer, they told me, and besides Trujillo votes with us in the United Nations and we have important military installations there.

DISTRESS AMONG OUR FRIENDS

I quickly found out that the democratic leaders in Latin America were deeply hurt and distressed by the way we courted Trujillo, Batista of Cuba, Stroessner of Paraguay, Perez Jimenez of Venezuela, Somoza of Nicaragua, and, earlier before their fall, Peron of Argentina and Rojas Penilla of Colombia, all tyrants, most of whom worked together to persecute democratic leaders in the hemisphere, even when they were in other countries, including the United States.

The bitter fruit of these immoral policies is being harvested today in Cuba and elsewhere in Latin America.

The Republican keynoter called upon the Nation to support our principles and the first principle he named was human freedom. The truth is that the Republican administration, except by glowing words, has not supported human freedom in Latin America or elsewhere in the world. It has supported allies regardless of their crimes against their own peoples.

Adlai Stevenson last January said:

> Our present combination of complacency and apprehension, of little aims and larger fears, has within itself the seed of destruction, first for our own community, and then for the larger hope that freedom, not tyranny, will be the organizing principle of the society of man.

EISENHOWER'S VISIT TO FRANCO AND CHIANG

This Republican administration was not only immoral in its unholy friendship with tyrannies in Latin America. On his trip to Europe the President last December went out of his way to honor Franco, an unrepentant tyrant who was allied ideologically and by his sympathies with Hitler and Mussolini in World War II.

A few months ago the President visited Taiwan and as he departed he referred to Chiang Kai-shek's tight little tyranny as "a thriving democracy." What do you suppose the Japanese students thought of that? I can tell you what they thought of that. They thought that our President was either ignorant about democracy or Chiang's government or that he was a hypocrite.

When Vice President NIXON went to Latin America in 1958 he was often asked why the United States supported dictators. He gave the usual State Department evasive answer:

> We do not interfere in the internal affairs of sister nations.

When he stopped off in Puerto Rico, able and democratic Governor Luis Munoz Marin convinced him that our policy should be to give a formal handshake to dictators and a warm embrace to democratic leaders.

Dr. Milton Eisenhower included this recommendation in the Latin American report which he gave to the President in January 1959. The President endorsed the entire report but no actions followed these words until the Organization of American States began to take united action against Trujillo and the administration began to worry about Soviet influence in Cuba.

Now the Secretary of State publicly calls Trujillo a "dictator." Under Secretary of State Dillon goes further. He told a Senate committee the other day that Trujillo was a murderer, a torturer, and a tyrant.

The news here is who is saying these things, not what is being said. Trujillo has been all these things and more for a long time on a large and notorious scale. This is not news in the Western Hemisphere nor indeed in the Eastern Hemisphere. The Republican administration began to move against him only as it seemed we had to do so in order to persuade our fellow Americans to side with us against Castro, as Castro's policies appeared to bring the cold war to our very shores.

TRUJILLO TURNS TO THE COMMUNISTS

The administration was very reluctant to call Trujillo the criminal enemy of freedom which he is and has been for many years. Hailed by his erstwhile defenders as a great anti-Communist and a devout Catholic, Trujillo now actively courts Soviet support. The Catholic bishops in the Dominican Republic are now firmly and publicly opposed to him and his policies. Ramfis, his oldest son, even now is in Moscow as Papa's emissary and Trujillo is permitting Communists once again to operate within the Dominican Republic.

Along with others who rejoiced when Batista fell I once had high hopes that Fidel Castro would keep his promise to hold free elections and to maintain individual freedoms. Instead, and in spite of the efforts of many of his former friends, Castro established a dictatorship in Cuba, a policy of extreme abuse of the United States, and a close relationship to the Soviet Union and the Communist Party.

If the Republican administration had shown by its actions, not just by empty words, our preference for freedom when Batista ruled by murder, torture and corruption, instead of giving Batista arms and friendly Ambassadors, we would be better able to help the cause

of freedom today in Cuba. As it is, we must admit our errors and not make them worse. I am confident that freedom can win over Soviet communism in Cuba as elsewhere in the world, but first we must ourselves pledge anew our belief in the principles on which our Nation was founded and then conduct ourselves accordingly.

How can we lead the free world against communism if we fail to speak out against all tyranny, of both the left and the right, and for freedom through honest elections everywhere? We have a duty to argue the case for democracy versus communism, for freedom versus tyranny, in our relations with other nations.

Is it too simple, too naive, to believe that our foreign policy should be moral? That it should reflect our deepest feelings about right and wrong? That our actions should correspond with our words supporting freedom? Lip service to freedom is not enough. The warm embrace of friendship for democratic leaders must be accompanied by the helping hand. Actions speak louder than words.

SENATOR KENNEDY CALLS FOR NEW ATTITUDES

In June Senator KENNEDY in a Senate speech said:

> A return to the good neighbor policy is not enough. Dollar diplomacy is not enough. A patronizing attitude, taking for granted their dedication to an anti-Communist crusade is not enough. We will need a whole new set of attitudes and emphasis to make the nations of Latin America full partners in the rapid development of the Western Hemisphere.

The Democratic nominee for President is right. It is plain that we need a whole new set of attitudes and emphasis to achieve this partnership.

The junior Senator from Massachusetts in that speech also pointed out with reference to Africa, although the application is worldwide, that if our policies are to be effective we must give our aid in terms of America's desire to bring freedom and prosperity to Africa—not in terms of a narrow self-interest which seeks only to use African nations as pawns in the cold war.

It is right to help democratic leaders and embrace them warmly. It is wrong to help enemies of freedom and to warmly embrace tyrants. These are elementary but neglected truisms. My friend from Minnesota [Mr. JUDD] declared in his keynote speech that—

> Men will find ways to bring down today's tyrants, if only we don't build up tyrants.

I agree, but I do not agree that increased communication with China would build China up. My second recommendation for a chance in our foreign policy is:

INCREASED COMMUNICATION WITH CHINA

Second. Bring China into international negotiations for disarmament and peace. This means first, exchange of newsmen and other citizens; second, trade in nonstrategic items; and third, eventual, not immediate, admission to the United Nations and recognition by the United States along the lines recommended last November in the Conlon Report to the Senate Foreign Relations Committee at its request.

"Recognition and admission," according to the Republican keynoter, "would needlessly present it with smashing victories." This is a remarkable defense of the long obsolete containment by isolation policy. The Republicans insist that the Democrats, Mr. Acheson in particular, "lost" China to the Communists. Mr. NIXON used this false charge again in the 1952 campaign. The truth is that Chiang's corruption and lack of constructive social and economic policies lost China. General Wedemeyer testified that the battles were lost to the Communists because of the poor morale of Chiang's troops, not lack of arms.

No one suggests that Taiwan be surrendered, but it is in order to suggest that we stop propping up a tyrant like Chiang Kai-shek and allowing the 8 million Taiwanese—as compared to the 2 million mainland Chinese now on the island—a proper voice in their government. We believe in self-determination so why not make our conduct conform accordingly? It would appear sensible and moral to do so.

By identifying ourselves so closely with Chiang we provide exactly the fearsome foreign devil that the Chinese Communist leaders require in order to keep their people apprehensive and thus amenable to harsh measures and hard work.

Senator KENNEDY has recommended withdrawal of troops from the Matsu and Quemoy Islands. This accords with the congressional resolution on this subject but not with the Republican administration's foreign and military policies.

CHINA AT THE CONFERENCE TABLE

Senator KENNEDY has also suggested that China be invited to participate in the Geneva negotiations for stopping the testing of nuclear weapons. Here is the imperative reasons why we must generally increase our lines of communication with China.

Secretary Herter last spring publicly conceded that China would have to agree or nuclear tests could not be stopped. This is obvious. The other nations will not stop testing if China can go ahead. We will not stop unless we can be assured that all other nations will stop. This means that there must be inspection stations in China as well as in the Soviet Union, a matter on which both nations must agree.

Mr. Herter's publicly expressed thought was that China be asked after the agreement was drafted. I hope that his private opinion favored the more practical suggestion which Senator KENNEDY made, namely to invite China to participate in the negotiations.

"Jaw, jaw, jaw," said Winston Churchill, "is better than war, war, war."

I have no illusions about such negotiations. They are frustrating, infuriating, exhausting—but is there a better alternative? These negotiations are a challenge to our statesmen, our diplomats, our lawyers, our political scientists, to all men who want to see their children grow up and who want a world unharassed by the dread of catastrophic war.

This brings me to my final recommendation for a moral and sensible foreign policy.

MOBILIZE FOR PEACE THROUGH LAW

Third. Mobilize powerfully to preserve peace with freedom. This administration is on record, repeatedly and emphatically, in favor of disarmament and a world under law. Just yesterday the President told the American Bar Association here in Washington that there was the "mighty force" of "world opinion" behind the rule of law among nations and that "world opinion is not lightly to be discarded."

Is it sensible to spend $46 billion this year for arms and only a few dollars mobilizing for safely escaping this burden? Our present leadership says that world rule of law and disarmament offer the only alternatives to disaster. But do these leaders believe it? It does not seem that they do if you judge by what they do, not what they say.

In the State Department there is a Special Assistant for Disarmament and Atomic Energy. He also handles outer space. He has 12 assistants. The Congress just authorized five more assistants and $400,000 for research. Over in the Defense Department an Assistant Secretary has another half-dozen men in an office for disarmament. The Atomic Energy Commission has two disarmament specialists and the Science Advisory Committee two or three.

A total of less than 30 men are working on disarmament in the whole executive branch. This is an incredibly puny response to the challenge of figuring out how to turn back from the arms race without endangering our security and the security of the free world. I agree with Prof. Louis Sohn of Harvard Law School. He recommends a Manhattan Project for disarmament, a mobilization of our best spiritual and intellectual resources on a scale more in proportion to the challenge. Senator KENNEDY and the Democratic Party have proposed a Peace Agency to accomplish this. The Republican administration again has generally employed the right words but has initiated practically no action to put them into effect.

A U.S. DELEGATE WITH NO EXPERIENCE

Frederick Eaton, appointed by the President to represent the United States in Geneva, is an outstanding corporation lawyer but a man with no experience in disarmament, none at all. Furthermore, he told some of us here on Capitol Hill shortly before he left for Geneva that he did not intend to study disarmament. He said that the President would give him his instructions.

With due respect for Mr. Eaton's efforts at Geneva, I say that we cannot hope to progress affirmatively if we send such men as delegates to disarmament conferences.

Grenville Clark, in the introduction to the second edition of "World Peace Through World Law," by Clark and Sohn, Harvard University Press, 1960, states both the challenge and the alternatives in these well-chosen words:

> The proposition no peace without law also embodies the conception that peace

cannot be insured by a continued arms race, nor by an indefinite balance of terror, nor by diplomatic maneuver, but only by universal and complete national disarmament together with the establishment of institutions corresponding in the world field to those which maintain law and order within local communities and nations.

On the cover of the booklet reprinting the Republican keynote speech is this quotation from Dr. JUDD'S address:

We must develop a strategy for victory * * * save freedom. Freedom everywhere.

With this we all agree. Our strategy can be no gimmick. It cannot be based on hate and fear. It must be based on our love for freedom and our hatred of tyranny.

DISAPPROVE ALL TYRANTS

It means that we must show our disapproval for all tyrants, Communist and non-Communist alike. It means that we must not back away from communication, with formal handshakes, not warm embraces with nations like China. It means we must mobilize our resources for peace and turn the concentrated and united power of our minds and spirits to the problem of surviving our terrible weapons.

If we do these simple, obvious but much neglected things we will have a foreign policy that is both moral and sensible. It does not, however, seem likely that RICHARD NIXON as President would make the necessary changes. Nothing in his conduct to date, and he has had ample opportunity, supports any hope that he as our Chief Executive would express in word and action our opposition to all tyrants; that he would attempt to increase communication with China; and that he would mobilize appropriately for disarmament and the rule of law in the world.

Instead we see him in speech after speech demogogically misrepresenting Senator KENNEDY'S proposal that the United States express regret to the Soviet Union for the effect of the U–2 flight on the summit conference. NIXON wants the voters to believe that KENNEDY wanted to apologize to Khrushchev for sending such flights. This is a well-recognized, typical NIXON twisting of the facts in order to reflect on the motives or good sense of his adversary.

Senator KENNEDY believes we have to deal with the Soviet Union and with China if we are to turn back from nuclear disaster. He believes that the small nations should not be regarded as pawns in the cold war. Senator KENNEDY'S election will assure this Nation a new, vitally necessary, and far more effective foreign policy, a policy that is both moral and sensible.

FIDEL CASTRO FROM LIBERATOR TO INFIDEL

The SPEAKER pro tempore (Mr. KING of Utah). Under previous order of the House, the gentleman from New York [Mr. SANTANGELO] is recognized for 20 minutes.

Mr. SANTANGELO. Mr. Speaker, Fidel Castro, the liberator of Cuba, has become an infidel and the tool of Communists. Recent tirades demonstrate that he is a pawn in the Russian game of power politics and that he is a psychotic without religion and without scruples.

On July 26, 1958, the words "Batista has fled" electrified the world. On that day a bearded giant in army fatigues marched down with his loyal freedom fighters from the hills of Oriente Province into Santiago de Cuba. Tyranny fell and democracy under the banner of an inspirational leader marched on toward victory and liberty.

For years the Cuban nation has been stirred—stirred by a solemn passion, of ideals lost, of a government debauched and too often made the instrument of evil. A tyrant had fallen and hopes of liberty soared. With the flight of the tyrant had come liberation and an opportunity for a new life. As the bearded soldier marched on to victory among waving flags and cheering throngs, the people of the pan-American world felt as did the people of the Near East 1,960 years ago, when another bearded man walked on the face of the earth bringing salvation and peace. To some Cubans, he was the new messiah. The people of this wartorn Carribean island rejoiced; dictators to the south trembled; the world awaited expectantly for oncoming events and bloodless revolutions. Within a fortnight the world recoiled and shrank back in horror. Instead of peace, Cuba had blood baths; instead of justice, circus trials; instead of guillotines, the firing squad; instead of binding the nation's wounds, Castro ordered reprisals, retaliation, and revenge. This new government conceived in liberty was weaned on blood and nurtured in hate.

As the Four Horsemen of the Apocalypse ran wild in Cuba, trampling upon hundreds of so-called traitors, the friends of Castro sheepishly apologized, paused, and declared that the end justified the means, and that traitors must be exterminated for the sake of the new order. The press was divided in its condemnation and in its praise. Certain writers saw some justification, others expressed their disgust and dismay. Some Members of our own Congress asked forbearance, understanding, and pointed out the significant silence of the critics in the face of 18 years of barbarous treatment of the Cuban people by the predecessor regime. I, too, advised that continuous and senseless killings would alienate friends of liberty and of the cause of Castro.

This man, Castro, who had been pardoned by the ruthless Batista, found no compassion in his heart for his enemies. This liberator, who lived in the wilds immune to the wind and rain, was sensitive to society's barbs of criticism. He remonstrated. He raved. He ranted. Even the words "The gringos will die," sputtered from his lips above the din of oral condemnation.

After the fall of Batista, Fidel Castro acted fast. He took over the reins of government and solemnly declared that within a year free elections would be held. That solemn promise, he broke. Two years and more have slipped by without elections, and none are foreseeable in the near future. It appears that he does not intend to keep his promise. Men in government throughout the world waited and the people asked themselves: "What manner of man is this Fidel Castro? A hero or an infidel? Is he another modern George Washington or is he an impetuous George Jacques Danton, of French Revolutionary days, who lived and died in violence." Events have answered part of the inquiry, and in the meantime, have given certain characters to compare.

George Washington stabilized his government, renounced power, and recommended no entangling alliances with foreign powers. George Washington attracted to himself men of wisdom, experience, and financial knowledge who could revive the corpse of national credit and who could administer an economic program. Castro is the son of a rich landowner. Like George Washington at Valley Forge, Castro has the capacity to withstand the rigors of winter in the mountains of Oriente Province. Like George Washington, Castro can inspire his men to withstand cold, privation, and hunger. Like George Washington, Castro had an abiding faith in himself and his cause. Both were fierce fighters, one fiery, the other calm. Both were symbols and legends, and each inspired foreign troops to fight side by side with him for liberty. But there the similarity ends. Whereas George Washington sought peace and rehabilitation, Castro sought vengeance and more worlds to conquer. Castro encourages foreign revolution in Latin America, and particularly in the Dominican Republic and in Panama. Washington, in his newly formed government, guaranteed the freedom of the press and freedom of speech. After the government was organized there was quickly enacted a Bill of Rights, whereas Castro suppressed the press and took over the media of communication, the radio and the television. General Washington guaranteed freedom of religion, where Castro, who was ostensibly religious, raved at the criticisms by the Catholic Church and ranted at the so-called interference by the men of God. Washington guaranteed the owners, yea, even the Tories, the right to own their property, whereas Castro confiscated properties, expropriated businesses running into the millions, and vowed further acquisitions with no compensation or with illusory compensation. Under the shibboleth of agrarian reform, Castro took from the landed gentry and the businessmen the fruits of their labor and turned them over to his followers and the rabble. Castro sought entangling alliances and called upon communistic nations, namely, Russia and Red China, to support Castro's fight for economic stability and oppose "Yanqui imperialism." Cut off by an aroused United States of the opportunity to unload his sugar products, Castro made agreements with Soviet Russia and its satellites. He called upon Soviet Russia and Red China for military and economic aid. He violated the sphere of the Western Hemisphere as enunciated by the Monroe Doctrine which guaranteed American solidarity against foreign interference. He subordinated his country to the

saber-rattling communistic nations who spoke of retaliation with rockets and missiles.

Castro, instead of turning over the government to the civilian authority, placed the hands of government with the military. He attracted to himself nondescript warriors. He designated Ernesto Che Guevara, a 31-year-old man with strong communistic leanings, as the czar of industry. He appointed Antonio Nunez Jimenez as economic dictator. He appointed Raul Castro, a younger brother, age 28, commander of the armed forces. To him, a man with strong communistic ideas, he entrusted the youth of Cuba and the system of education.

While Castro orally and vehemently disavowed communism, he gave comfort to the Communist surge and then embraced its principles wholeheartedly. He has an urge for personal power which Washington abjured. In self-appraisal, he hoarsely shouts "History will absolve me."

The people of the American Revolutionary days considered George Washington a father who could do no wrong. The people of Cuba view Castro as the small child of the family who does wrong, but must be defended under any circumstances.

More than 2 years have passed since the great liberation and history has written indelibly its words of condemnation of Castro. Castro in the eyes of the free world is no longer a liberator, but a psychotic thirsting for power. He is no longer an inspiration for good, but a force for evil and a potential threat to world disturbance. Some of his former admirers have fled from him and have turned their backs to him. Even nations which joined with him in his fight for liberty have recoiled. Puerto Rico, which gave so many sons to Castro and Cuba for liberty in the spirit of Jose Marti, has recognized that Castro has betrayed their confidence, hopes, and principles. Castro has lost their sympathy and admiration, which at one time, accompanied him among all the democratic peoples of the Western Hemisphere.

This week in the Organization of American States, Cuba fought a losing battle against the resolution to censure Cuba's acceptance of Soviet military protection. The resolution, passed by the Organization of American States, known as the Declaration of San José, indirectly censured Cuba by condemning the threats of intervention by foreign powers in American affairs and disapproved and rejected the acceptance of such intervention. Communism must not take root in America. History has demonstrated that Castro, despite his education and military success, is no George Washington.

Infidel Castro is more like the French revolutionist, George Jacques Danton, who stormed the Bastille to destroy tyranny and reveled at the beheading of French emigrés. Like Danton, the so-called liberator of Cuba must destroy his enemies and his friends suspected to be consorting with the enemy. To survive, he, like Faustus, must pledge his soul to Mephistopheles. He shall receive his sugar quotas from the almighty demon and enjoy his free additional hours of glory and false power. However, the day of reckoning is not too distant.

Those in America who helped Cuba gain freedom, who helped Cuba develop its economic resources, who purchased her sugar products at bonus prices, and who nurtured the new government, regret the aberrations of a leader who might have been great, but who lost his stability. We can only ask Cuban peoples and the Latin Americans to communicate with their Latin brethren on this island 100 miles off our Florida coast to point out Castro's misdeeds, mistakes, and misdirections. We urge the Puerto Rican and Latin American media of communication to convey the message that in America, we seek not domination, but peace, and those who listen to the siren call of missiles and rockets will be lured to destruction on the rocks between Scylla and Charybdis. Violence begets violence, and he who gave so much promise for the free world will perish as an infidel without friends, without glory, and without faith.

DICK ARENS—AN UNCOMPROMISING AMERICAN PATRIOT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. SCHERER] is recognized for 10 minutes.

Mr. SCHERER. Mr. Speaker, I rise for the purpose of mourning the departure of a dedicated servant of the Congress of the United States. I mourn not his death, but the fact that he is today leaving a position in which he has rendered such valuable and unselfish service.

As I rise to mourn his departure, those individuals and organizations who are dedicated to the ultimate destruction of this Republic are breaking out with brass bands in celebration of the same event. The brass bands will be loud and their notes will be held long, thereby giving the impression that the music celebrates an event in which all should rejoice.

However, these brass bands deceive, just as the Communists and their dupes deceive. It is the exposure of this deceit which has made the man about whom I speak valuable, not only to the Congress, but to all who are dedicated to the cause of freedom from Communist slavery.

I rise, Mr. Speaker, to praise the contribution which Richard Arens has made to the security of the United States during the last 12½ years as a staff member of the Judiciary Committee of the Senate, and our own Committee on Un-American Activities.

Dick Arens was born in Kansas City, Mo. He worked his way through college and law school, graduating at the head of his class from Baker University. He was awarded a scholarship from the Washington University School of Law. While in college his leadership ability was recognized and he was elected president of the student YMCA and later president of Delta Theta Phi, a law fraternity.

After several years of private practice, he was called upon by the Governor of Missouri to take up a career of public service. Dick served as legal secretary to the Governor of Missouri from 1941 to 1945. The Governor appointed him to membership on the Missouri Public Service Commission, which position he vacated to serve the Missouri Legislature as director for the reorganization of the executive department of that great State.

In 1947, Dick Arens came to Washington as a member of the staff of the Judiciary Committee of the Senate. Until 1956, he served that committee in various capacities. He directed the work on war decontrol legislation. He directed a 4-year study by that committee of the immigration and naturalization system, which study resulted in the Immigration and Nationality Act of 1952. It was his study of the immigration and naturalization system that first brought Dick Arens to grips with communism, and the knowledge that it was an international conspiracy designed to enslave the world. Through his studies in the field of immigration and naturalization, he learned that international Communist agents were being filtered into the United States and other countries of the free world under the disguise of legitimate immigrants. He learned that agents of Moscow, such as Arthur Adams, the man who directed Soviet atomic espionage in the United States during World War II, came into this country as an immigrant from Canada, using fraudulent Canadian citizenship papers. He likewise learned the facts relating to other outstanding Soviet agents, Gerhart Eisler, Bill Giebert, and others.

Thus armed with the knowledge of how communism conspired against the United States and all free countries, Dick Arens dedicated himself to its destruction. He was sought after to head studies of various phases of Communist activities in the United States. He was made staff director of the Senate Internal Security Subcommittee, which dealt largely with the Communist threat to the security of the United States.

His devotion to duty was quickly recognized. The certificate of merit awarded him in 1953 by the National Camp, Patriotic Order, Sons of America, reads,, "For great and inspiring public service."

In 1954 he was one of six persons in the history of the American Legion to receive its citation of merit and commendation.

Confronted with the need of a person to direct the staff functions of the Committee on Un-American Activities, our great chairman, the gentleman from Pennsylvania, FRANCIS WALTER, in 1956 asked Dick Arens to become the committee's staff director.

Within a month Arens was questioning witnesses who had been using U.S. passports for the purpose of working with the Communist Party of Russia and Red China in condemnation of the United States. During the interrogation of these witnesses, Arens disclosed how these Communists had falsely accused the United States of acts of germ warfare and of slaughtering innocent women and children during the Korean conflict.

Mr. Speaker, during the next 4 years, the staff of the committee under Arens'

direction conducted an investigation into many areas where Communists had infiltrated. Through hearings, the committee attempted to learn the extent of each infiltration effort from the persons whom the investigation disclosed possessed the knowledge. These efforts to obtain the facts by which to guide the Congress in its legislative deliberations were not met with truthful revelations, but by slanderous attacks, not only on the committee, but on Arens as the committee's staff director. As each committee hearing touched upon an activity in which the Communists were seeking a privileged sanctuary, the Communist attack on the committee and Arens increased.

Not only did the Communists distort Arens' conduct of interrogation during committee hearings, but they distorted what he had to say during speeches made at the invitation of those seeking the truth about communism. The latest of these distortions occurred only last month during a speech Arens made at the time he accepted an award from the National Conference of Police Associations meeting in Des Moines, Iowa. It is not bad enough to be attacked by the Communists, but the spirit of even a Goliath can be broken through distortion of remarks by such organs as an alleged truthful press, the Des Moines Register.

Consider the insult to a staff member of this House when one of its elected Members inserts the distorted press account in the pages of the CONGRESSIONAL RECORD. Consider how this insult is added to when the Member of Congress making the insertion possesses no information about the speech under attack, and makes no effort to obtain the truth.

Mr. Speaker, compare the distortion by the Communists of the conduct of Mr. Arens during the committee's hearings in San Francisco last May, with the statement issued by more than a dozen ministers who were in attendance at the hearings. Said these ministers in a released statement:

> We came away from this hearing absolutely convinced of the overwhelming necessity of continuing the House Committee on Un-American Activities. No free agent could view the hearings without being impressed with the fairness, justice, and dedication to a thankless but positively necessary task. Chairman EDWIN WILLIS was unusually temperate and patient. We have nothing but unbounded admiration for Richard Arens, committee counsel, whose skill and understanding of this perilous conspiracy was a blessing to behold.

Little wonder Dick Arens is leaving the committee to accept a position with the U.S. Court of Claims. Little wonder that the Communists and the apologists have broken out their brass bands to celebrate Arens' departure as staff director of this committee.

While the Communists have reason to celebrate, I wish to advise them that their celebration will be short lived.

Dick Arens' departure is a great loss to the committee and to the House of Representatives. His departure will be a great personal loss to me. His departure will be a great loss to the American people. It will not be a complete loss, however, because Dick Arens has agreed to continue the fight against communism by making his knowledge available to all and by continuing as a nonpaid consultant to the committee.

ANALYSIS OF WHAT CAN BE DONE CONCERNING THE FARM PROBLEM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 15 minutes.

Mr. WOLF. Mr. Speaker, many lines have been written about the farm problem, but none have come to grips with the reasons why we have a farm problem, how our farmers are affected, and what we can do about it, as does the following analysis recently made by Marianne Means and Everett Swingle. I commend it to the attention of my colleagues in the hope that it will stimulate interest and ideas which can be applied toward the solution of this very serious national problem:

It is tragic that in the richest nation on earth, where 1 farmer easily feeds 24 city dwellers, there could be a farm problem.

How can this be?

We have come such a long way from the days when one out of every four Americans had to till the soil to keep the Nation alive.

Our modern farm production and the vast marketing, storing, transporting, processing, wholesaling, and retailing system which moves the food into our kitchens is one reason we are healthier than ever before. Our children are taller, and have a longer life expectancy, than we did at the same age.

We have the highest level of living the world has ever seen. The food we eat is tastier, more varied, and better for us—and it comes to us tidily prepared for a minimum of effort, as ready mixes, concentrated and dehydrated products, or "heat and serve" meals.

And although most people of the world spend half their incomes for food, we in America spend only 21 percent.

If our farmers were no more efficient than those in the Soviet Union, 22½ million Americans who now work in manufacturing, mining, construction, or other nonfarm businesses would have to produce food, clothing, and forest products. For in Russia, one agricultural worker feeds only four or five people, and more than 40 percent of the total labor force works in agriculture or forestry.

Obviously, the American farmer is doing a good job of making life better for the rest of us. But he is not doing so well for himself.

And "aye, there's the rub," as Hamlet said.

For despite rising costs of food in our grocery stores, the average farm income has steadily dropped. Last year 56 percent of American farm families made less than $2,500 a year.

Grain surpluses pile up in warehouses, costing taxpayers about $1,500,000 a day. Government programs aiding farmers cost millions.

People who cannot make a decent living on their small farms are moving into the cities by droves, unprepared for city ways and untrained to handle city jobs.

What went wrong?

As the amount of food processing continues, the farmer's share of our food dollar generally declines. In 1959, the farmer only got 38 cents of every $1 worth of food you put into your grocery bag. The rest went to the men who transported it, stored it, processed it, wrapped it in a fancy package, inspected it, and put it on the grocery shelves.

For example, the wheat used in baking a 20-cent loaf of bread costs only 3 cents. The remaining cost is for the trimmings.

The shopper, cringing at the high price rung up by the grocery clerk, often forgets this when he wonders why farmers are complaining. He sometimes forgets, too, that his grocery bill is increased by the large number of nonfood items—such as drugs, cosmetics, records, cutlery—he can purchase in today's supermarket.

The farmer's unique problem is that his costs are rising, as they are for every businessman—but he cannot pass on these increased costs to the consumer, as other businessmen can. The prices of fertilizer, seed, tractors, machinery repair, fencing, etc., keep going up. But the farmer can rarely increase the prices he gets for his own products.

He cannot control his prices, because he cannot control his supply. When his crop is ripe, he must sell it; he cannot hold it back until some other time when the going market rate may be higher.

He is selling his harvest of wheat, or strawberries, or tomatoes, the same time all his neighbors are selling their harvests, too. The market is glutted, prices go down, but the farmer must sell anyway.

The more abundant the harvest, the bigger the supply, the lesser the demand, and the lower the prices.

Thanks to the technology and research which has replaced the horse with the tractor and the hoe with the combine, and taught the farmer to control drought through irrigation and insects through spray, crop production has increased steadily for the past years. Production is 56 percent higher per acre now than it was in 1919–21.

Output per breeding animal is 81 percent greater than in 1919–21.

Productivity of the American farmer is growing more than twice as fast as the productivity of workers in industry.

Yet the net income for 1 hour of farmwork, including income from capital assets, was $1.29 in 1959. One hour's work in a factory, however, averaged $2.22.

And the hourly wages of food marketing employees, who handle the farmers' products, averaged $2.10.

Thus the farmers' very efficiency has created its own problems. Seeking his own solution, the farmer has steadily increased the size of his farm during the past 20 years, as he found he could handle larger acreages. Machinery and fertilizer and the new hybrids are expensive, and the farmer whose land is too small to keep his costly machinery busy or to use up wholesale purchases cannot meet his production costs.

Thus, small farmers have steadily been forced to leave their homes, sell out to more prosperous neighbors, and make the sad trek to the city. Since 1950, about 5 million persons left their farms, leaving a present farm population of around 20 million.

Ten years ago, there were 4,700,000 farms; now there are only about 4,100,000.

True, some people, young folks usually, want to leave the old ways and share the opportunities of city life. But what about the small farmer who wants to stay on his land, into which he has poured his sweat and tears and toil for many years?

The farm problem, then, boils down to four questions which the Nation has been trying, unsuccessfully, to solve for 30 years:

1. How can we assure all farmers of a decent income, comparable to their city brothers'?

2. What should we do with our huge surpluses, costing taxpayers billions every year? How can we best distribute them to the needy?

3. How can we help the small farmer, but at the same time slash drastically the cost of our whole farm aid program, now at an all-time high?

4. How can we do these three things without complete Government control over the farmer?

Those bumper crops down on the farm and the steady drop in farm income have produced a bushel basket full of trouble which the Government has been trying to solve—with little luck—for the past 30 years.

The Nation is storing a record $9 billion worth of surpluses under the price support program. And it costs the taxpayers about $1.5 million a day to store these surpluses, of which we already have enough to last 2½ years if all production were suspended.

Politicians, aware that the big block of votes from Farm Belt States could turn an election tide, have been scratching their heads and wondering what to do about the farm problem for years.

In the past 5 years, the problem has become acute. During World War II and the Korean conflict, farmers were prosperous and surpluses reasonable because soldiers and warring allies abroad ate up the stepped-up production made possible by technological advances. In peacetime, however, this market disappeared, although production continued to increase.

The Department of Agriculture has been paying some farmers various combinations of price supports since the depression of the 1930's. This means the Government guarantees the farmer a fair profit, based on a formula. If the going market price doesn't reach that level, the Government buys his crop for the guaranteed price and stores the surplus. Law provides, however, for price supports on only 21 crops—the big ones, like corn and wheat—out of 250 commonly grown commodities.

Right now the Government is paying private warehouse and elevator owners to store 5 million bales of cotton, a billion bushels of corn, 800 million bushels of rice, 188 million pounds of peanuts, and over 1 billion bushels of wheat.

The size of these price supports, how flexible they should be, and which crops they should cover is cause for a yearly political storm, out of which both Democrats and Republicans try to make hay.

The battle over price support systems is by no means the only controversial point in the Government's efforts to help the farmer. The conservation reserve program, or soil bank, is also a victim of political crossfire. The Department of Agriculture is now paying farmers about $342 million a year to take a certain percent of their land out of production. This system of Government land rental is reducing production by about 6 percent.

This year, neither the Democrats nor the Republicans have come up with a dramatic new program to aid the farmer. Basically, their major difference on farm policy is that Democrats favor higher price supports and more Government controls than do the Republicans.

Both Senator KENNEDY and Vice President NIXON have vowed to expand versions of three aspects of farm help already urged by Secretary of Agriculture Benson. These are rural development (expanding vocational training and employment services and creating new job opportunities in rural areas); "food for peace" (stepping up shipments of surpluses to underdeveloped countries); and research to find new uses and new markets for farm products.

Fifty-six percent of our farmers are still classified as "small" despite the increasing trend toward bigger and bigger farms. These are the families who live on $2,500 a year, and who are the biggest "farm problem."

The Government does not subsidize their crops, which are usually small-volume specialties, such as strawberries, tomatoes, or truck gardens. But just as the small neighborhood grocery has nearly disappeared because it cannot compete with the huge, efficient supermarket, these small farms are disappearing because they are no longer economically feasible.

In cold logic, the answer to their problem seems to be simply sell out and move off the land.

But we are talking about human beings, used to one way of life. They are not trained for city jobs and often they do not like the crowded conditions and the rush of a city.

This is where rural development could help. The Department of Agriculture 5 years ago launched a program of encouraging industry to locate plants in rural areas, where farmers can drive to work and also till their own land. As yet, efforts along these lines have been limited, however.

The per capita income of farmers from all sources averaged $1,043 in 1958, as compared with a per capita income of $2,073 for off-farm workers. An industry job close to home could preserve our Nation's small farms and supplement the farmer's income.

The farmer wants help to bring his income nearer the rest of the Nation; but he does not want Government handouts. Nor does the Government want to spend any more money than it has to.

So what is to be done? No one seems to know.

Even the farmers themselves cannot agree. The three major organizations—the Farmers Union, the Farm Bureau, and the National Grange—have three different solutions. And the wide diversity of crops, and their often conflicting needs, sometimes leads the farm States to work against each other.

For example, Delaware's major commodity is chickens. Naturally, the chicken farmers of Delaware want cheap feed.

Out in Iowa, however, the major crop is feed corn. So Iowa farmers are all for anything which will raise the price of feed.

The Government, through the years, has tried various combinations of price supports and land retirement and other devices. None has been a complete success.

But should a Federal price-support program that costs billions of dollars a year be dumped if it isn't doing the job?

That's the problem our Nation faces. And it is not just a farmers' problem—it is everybody's problem.

In the presidential campaign, there will be much talk about it, as there has been already.

Meanwhile, the farmers wait.

MORE LIGHT ON THE REPUBLICAN CIVIL RIGHTS PLANK

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. THOMPSON] is recognized for 20 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, yesterday I charged that the Republican Party was guilty of circulating two different versions of its civil rights plank—one obviously intended for use in the North and one for use in the South. My remarks and those of the gentleman from Wisconsin [Mr. LAIRD] denying my charges appear in the CONGRESSIONAL RECORD of August 29, page 18199. Of course, the gentleman served as vice chairman of the Republican platform committee and I was pleased to have his explanation of how the two versions came into being.

However much the gentleman, and the publicity director of the Republican National Committee in addition, protests, the fact remains that two civil rights faces are being presented to the Nation by the Republican Party.

Perhaps they protest too much.

I am not prepared to accept unquestioningly the gentleman's explanation of how the deletion of a key sentence of the civil rights plank took place. Before I called attention to the two Republican platforms yesterday, I checked to see which version was authentic.

If the gentleman will refer to the impartial news service, the No. 31 issue of the Congressional Quarterly, July 29, 1960, page 1345, he will note this caption: "Complete Text of 1960 Republican Platform," and then this subcaption: "Following Is the Complete Text of the 1960 Platform, Entitled 'Building a Better America,' Adopted by the Republican National Convention July 27."

I emphasize this subcaption and the phrase: "Adopted by the Republican National Convention."

At page 1352 of the same Congressional Quarterly one will find the text of the Republican civil rights plank as follows:

> By Executive order, a committee for the elimination of discrimination in Government employment has been reestablished with broadened authority. Today, nearly one-fourth of all Federal employees are Negro.

I can find no evidence that the gentleman from Wisconsin [Mr. LAIRD] or the Republican National Committee has protested to Congressional Quarterly its printing of this version of the Republican civil rights plank.

Mr. Speaker, if further evidence is needed of the desperate importance of an impartial truth squad in this situation it can be found in the Senate document entitled "Factual Campaign Information" as revised August 15, 1960, and published under the supervision of Felton M. Johnston, Secretary of the Senate to serve Senators in the upcoming campaign.

Mr. Speaker, please note that the complete text of the 1960 Republican Party platform, as adopted, begins at page 115 of this document, and that the sentence "Today nearly one-fourth of all Federal employees are Negro," appears in this official version of the Republican platform.

In view of the remarks of the gentleman from Wisconsin [Mr. LAIRD] yesterday, are we being given a House and Senate version of the Republican civil rights plank, in addition to a northern version, and a southern version of this elusive plank?

Mr. Speaker, I reiterate the questions which I raised yesterday, because I think they are basic to the entire character of the Republican campaign.

Our Republican friends make much of their "truth squads," implying that they are above reproach and never stoop to those despicable devices which they impute to others. However, their past performances bear out the fact that they have had little experience in the "truth" field.

It is particularly important to have all of the facts in this matter of the Republican civil rights plank so that we can get at the truth, in view of campaign tactics employed by the Republican Presidential candidate, campaign tactics which are well known to us all, and which need no elaboration by me.

The gentleman from Wisconsin [Mr. LAIRD] stated that the sentence, "Today nearly one-fourth of all Federal employees are Negro," had been omitted because it was "questionable," and based only on a survey of "six large metropolitan areas."

It would be interesting to know which agencies of government participated in this survey, which cities were involved, and who was responsible for categorizing Federal employees by race, particularly in view of the fact that this type of information is not collected in the Form 57 Federal employment application of the Federal Government. If the gentleman from Wisconsin [Mr. LAIRD] cannot supply this information then, perhaps, the Republican platform chairman, Mr. Percy, or Postmaster General Summerfield can.

Of course, my Democratic colleagues and I are not the only people who are disappointed by the contents of the civil rights plank of the Republican platform. The Republican failure to endorse the moral persuasiveness of the sit-in demonstrations drew the fire of New York's Gov. Nelson Rockefeller, while the Republican delegations from the South also threatened to bolt over even the mild provisions it contains.

Mr. Speaker, the American people in this campaign are not going to judge the two parties on the sentence construction or even the contents of their platforms. They are going to judge the two parties on their performance record.

While I am glad to note the gentleman's admission of the circulation of two separate Republican civil rights planks—which for purposes of identification I have called the blue version and the gray version—this is not the main bone of contention.

The voters of this land will decide on which party has the best record of supporting the goals proclaimed in their platforms, as well as their performance record. Had our Republican friends been more generous in yielding time during their so-called Operation Veracity yesterday, I would have commented on this comparative record.

Mr. Speaker, I include with my remarks an interesting table which analyzes the voting record of Republican and Democratic members in the House and Senate from 1947 to 1952, and from 1953 to 1960 on the platform goals claimed by both parties in the 1960 platforms. This analysis clearly reveals the hypocrisy of the Republican Party in proclaiming support in 1960 for programs and goals which they have consistently opposed in the past when the votes were taken.

This record speaks for itself.

The analysis follows.

The box score of the 2 parties in Congress in supporting progressive platform goals

The following table shows the average percentage of Republicans and Democrats supporting goals now proclaimed by both 1960 party platforms in actual Senate and House votes over the past 13 years.

1960 platform goals	1947–52						1953–60					
	Senate			House			Senate			House		
	Number of votes	Percent for		Number of votes	Percent for		Number of votes	Percent for		Number of votes	Percent for	
		Democrats	Republicans		Democrats	Republicans		Democrats	Republicans		Democrats	Republicans
To expand foreign economic, military and technical assistance	83	91	51	44	87	45	40	68	62	36	72	63
To liberalize and extend reciprocal trade agreements	19	87	28	7	92	25	8	84	57	14	76	53
To increase national defense spending	13	82	49	12	86	81	23	94	69	11	91	91
To increase and stabilize farm income and develop soil conservation programs	30	81	30	11	89	38	71	77	34	21	78	27
To encourage rural electrification co-ops	3	76	20	6	96	21	6	86	24	5	93	30
To develop new water resource projects	44	84	43	10	75	22	19	82	67	22	72	43
To expand coverage and increase minimum wage and unemployment compensation	6	64	47	7	69	28	20	72	30	10	78	53
To extend social security benefits	3	93	68	7	93	49	8	89	53	3	98	95
To aid depressed areas							9	83	24	4	76	24
To foster small business	9	75	44	3	84	36	7	75	12	3	92	66
To use governmental powers to curb inflation	40	83	34	27	81	39	4	81	26			
Aid to education	7	89	40	2	97	85	11	77	36	13	65	57
To promote slum clearance and home financing	19	85	42	25	80	37	34	80	29	23	86	34
Aid to health services and research	17	73	19	5	88	39	5	89	31	4	63	69
Aid for highway and airport construction	8	70	29	2	99	82	11	93	37	9	85	58
To strengthen the civil service	12	80	54	6	90	70	21	96	44	21	95	66
To increase veterans benefits	5	85	43	13	87	73	2	92	75	13	95	52

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

THIRD SEMIANNUAL REPORT OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 454)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read by the Clerk:

To the Congress of the United States:

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, I transmit herewith for the information of the Congress the third semiannual report of the National Aeronautics and Space Administration, covering the period October 1, 1959, to April 1, 1960.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *August 30, 1960.*

The SPEAKER pro tempore. Without objection the message and accompanying papers are referred to the Committee on Science and Astronautics and ordered to be printed with illustrations.

There was no objection.

EXTENSION OF REMARKS

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. PIRNIE] may be permitted to extend his remarks in the body of the RECORD and to include extraneous material.

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

There was no objection.

NEW YORK-NEW JERSEY MILK MARKETING ORDER

Mr. PIRNIE. Mr. Speaker, recently the attention of this body was called to the decision of the Federal Court, Eastern District of Pennsylvania, ruling against the U.S. Department of Agriculture on the validity of the compensatory payment provision in the New York-New Jersey milk marketing order. It was stated that in view of this decision that Congress should pass a resolution directing a study of this marketing problem.

This approach does not appear to be timely nor appropriate since the Department of Agriculture has appealed from this decision and the case is now pending before the U.S. Third Circuit Court of Appeals. It is not at all certain that any of the provisions of the marketing act will be invalidated. It is quite possible that the court will adopt the line of reasoning set forth in the decision file of August 18, 1960, in the U.S. District

Court, Eastern Division in the Northern District of Ohio, in which the compensatory provisions were upheld. In any event, the matter is clearly for the courts to decide.

Believing that this latter decision is of interest to those concerned with this problem, I am inserting the full text in the extension of my remarks:

IN THE U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF OHIO, EASTERN DIVISION—CIVIL ACTION NO. 34708

(The Lawson Milk Co., a corporation, plaintiff, *v.* Ezra Taft Benson, Secretary of Agriculture, defendant—filed August 18, 1960)

McNames, C. J.:

The plaintiff the Lawson Milk Co., is a corporation with its principal place of business in Cuyahoga Falls, Summit County, Ohio, within this district. Plaintiff brings this action pursuant to section 8c(15)B of the Agricultural Marketing Agreement Act of 1937, and amendments (hereinafter the act), to review a ruling of the judicial officer of the U.S. Department of Agriculture dismissing on the merits a petition filed by plaintiff under section 8c(15)A of the act. In the proceeding before the judicial officer plaintiff sought a refund of $92,405.62, representing payments made by it, allegedly under protest, to the producers settlement fund, covering the period of December 1, 1947 through May 1952. These payments were exacted under section 975.72A of Order No. 75, which regulates the handling of milk in Cleveland, Cuyahoga County, Ohio and adjacent communities. Both parties have filed motions for summary judgment.

The jurisdiction of this court is limited to a determination whether the decision of the judicial officer, adopted by the Secretary, is in accordance with law. Thus, only questions of law are presented in this review.

Plaintiff's plant in Cuyahoga Falls, Ohio, is located about 31 miles from the center of Cleveland, Ohio. Prior to December 1, 1947, all of plaintiff's milk was distributed outside the Cleveland Marketing Area, most of it being distributed in Summit County, Ohio. In December 1947 plaintiff established a retail outlet in Bedford, Ohio, which is within the Cleveland market. During the period in question, plaintiff's sales of milk in the Cleveland market represented less than 10 percent of its total sales. After May 1952 plaintiff's sales in the Cleveland market exceeded 10 percent of its total sales and, pursuant to the terms of order No. 75, plaintiff became a fully regulated handler. The primary object of order No. 75, like that of similar orders in effect throughout various sections of the country, is to provide a stable market for milk and to secure to the producers, i.e., dairy farmers, an adequate price for their milk. The farmers do not sell milk direct to the consumers but deliver it to various bottling plants known as handlers. The economic value of milk is determined by its use. A handler usually receives raw milk from a number of producers. He may sell it either as fluid milk, as cream, or as milk products such as butter and cheese. A handler realizes his greatest profit on the sale of fluid milk, a lesser profit on the sale of cream and a still lesser profit on the sale of milk products. Producers therefore expect a higher price from handlers for raw milk sold by the latter as fluid milk and correspondingly lower prices for milk utilized in the production and sale of cream or milk products. The pricing of milk strictly in accordance with its utilization presents many difficulties and is conducive to an unstable market. To avoid these undesirable consequences the Government has adopted a scheme of regulation under which each producer is paid a uniform minimum price for all raw milk delivered to a handler irrespective of the use to which it is put.

The plan thus devised operates fairly to place the greater burden of the uniform blend price upon those handlers who sell the greater part of their milk as fluid milk. This is accomplished in the following manner: The market administrator determines a class price which pool handlers must pay for class I milk used as fluid milk, a class price for class II milk sold as cream and a class price for class III milk sold as milk products. He ascertains the marketwide use for each class, multiplies the results by the class prices and then divides the resultant sum of all class prices by the volume of milk used in the whole market. By this method a uniform or blend price for all raw milk is determined. A similar formula is applied to determine the use value of milk sold by individual handlers. Where the greater part of a handler's sales for a specified period is fluid milk, his total use value will be greater than the uniform price paid to his producers. Such a handler must pay the difference into the producers settlement fund. A handler who sells the greater part of his milk as milk products will have a use value less than the uniform blend price and is entitled to withdraw the difference from the producers settlement fund. By this method producers receive a uniform price commensurate with the weighted average use value of milk sold in the regulated market, and through the operation of the producers settlement fund in the manner above described the cost of milk to handlers is equalized. The plan also provides for payments by handlers of administrative assessments.

The foregoing is an altogether inadequate outline of the complicated scheme of regulation but will serve to indicate the essential elements of the plan. For a more comprehensive and detailed description of similar plans see: *United States* v. *Rock Royal Cooperative Inc., et al.,* 307 U.S. 533; *Grant* v. *Benson,* 229 F. 2d 765, 767 (cert. den. 350 U.S. 1015); *United States* v. *Lehigh Valley Cooperative Farmers,* 183 F. Supp. 80.

The handlers above referred to are pool handlers who regularly distribute more than 10 percent of their milk supply to consumers in the Cleveland marketing area. Producers are dairy farmers whose milk is delivered directly from their farms to pool handlers. Pool handlers and producers are subject to full regulation under the terms of order No. 75. During the period of December 1947 through May 1952 plaintiff, as a nonpool handler, distributed less than 10 percent of its fluid milk supply in the Cleveland marketing area and purchased its milk from farmers who were not producers, as that term is defined in order No. 75. Section 975.72(a) of order No. 75 provided that nonpool handlers distributing less than 10 percent of their fluid milk supply in the Cleveland marketing area were required to pay to the producers settlement fund an amount equal to the difference between the class I price (fluid milk) and the class III price (manufacturing) on all milk sold as fluid milk in such area. At the outset plaintiff refused to make the specified payments and the Secretary instituted an action in this court to enforce the terms of section 975.72(a). Early in 1949 plaintiff agreed to make all accumulated and future payments, and the action was dismissed. Thereafter, in June 1952 plaintiff became a fully regulated handler. A year later, in June 1953, plaintiff filed its petition under 608c(15)A of the act to recover the payments made by it during the period of December 1947 through May 1952. In April 1958 the judicial officer of the Department of Agriculture dismissed the petition on the merits. In July of 1958 the judicial officer denied plaintiff's motion for reconsideration.

In the hearing before the judicial officer there was evidence tending to show that during the period in question the average price paid by plaintiff to its farmers for milk was in excess of the uniform minimum blend price and the uniform class I price paid to producers under the Cleveland order. Plaintiff submitted proposed findings of fact to the judicial officer which incorporated the foregoing in detail. In addition plaintiff submitted, inter alia, a further proposed finding showing the average amount per hundredweight of milk paid by plaintiff as compensatory payments under section 975.72(a). The judicial officer refused to make such findings presumably because in his opinion they were immaterial. Additional facts essential to an understanding of the decision reached herein will be stated in the discussion of the issues.

Plaintiff attacks the validity of section 975.72(a) primarily on the ground that it is contrary to the law as announced in *Kass* v. *Brannan,* 196 F. 2d 791 (2d Cir.) Plaintiff also relies upon *Lehigh Valley Cooperative Farmers, Inc., et al.* v. *Ezra Taft Benson,* 183 F Supp. 80 (3d Cir.), which was decided on the authority of Kass. Plaintiff contends further that there is no substantial evidence in the record supporting the rate of payments exacted under section 975.72(a) of the order. The Secretary asserts that the ruling and order of the judicial officer upholding the validity of section 975.72(a) are in accordance with law and advances many other grounds in support of his decision including the contentions that—*Kass* v. *Brannan* is not controlling; the evidence in the promulgation hearing record amply supports section 975.72(a); plaintiff is estopped to claim the refund it seeks; and that order No. 75 provides a cut-off date as to refund payments. By far, the most important issue is whether *Kass* v. *Brannan* is controlling here. Kass was a handler as defined by the New York Marketing Order No. 27. He purchased cream and condensed milk from a handler in Orville, Ohio. Pursuant to section 927.9(h) of order 27 the market administrator exacted payments from Kass in the case of cream in an amount representing the difference between class II–A (New York cream) price and class IV–A (New York butter price); in the case of condensed milk, the exacted payments represented the difference between class II–B (New York condensed milk) price and class IV–A. No consideration was given to the price Kass paid to the Ohio nonpool plant. Kass sought administrative relief by way of a refund of the payments. He was denied relief by the judicial officer of the Department of Agriculture whose decision was affirmed on review by the district court. The Second Circuit Court of Appeals, however, with Judge Learned Hand dissenting, reversed. The appellate court held that the exacted payments were part of the minimum price as that term is used in section 8c(5)A of the act; that the price of nonpool cream or condensed milk to a New York handler was (1) the amount paid to the seller; (2) the "amount of the penalty required to be paid under the order." The court then added:

"Section 927.9(h)(2)(ii) assumes that the initial cost of the nonpool cream and condensed milk will be the class IV–A (butter) price under the New York order. If this assumption were true, the minimum prices of pool and nonpool cream and condensed milk would be the same and would satisfy the requirement imposed by section 8c(5)(a) that 'Such prices shall be uniform as to all handlers.'"

The court found that the initial cost of the milk products was more than the New York class IV–A price and that the exaction of an additional payment computed on the class IV price rather than on the actual cost

to the handler was "* * * a price discrimination between a handler who purchases nonpool milk products and one who purchases pool milk products, although each makes the same use of such products in the New York marketing area. This in our opinion is contrary to the requirement laid down in section 8c(5)(A) that the minimum prices for each use classification shall be uniform as to all handlers."

It is in no spirit of disrespect to the Second Circuit Court of Appeals that I profess my inability to accept the conclusion of that court that the contested provisions of order No. 27 are inconsistent with section 608c(5)(A) of the act. That section of the act is quoted in full in the margin, and in pertinent part reads:

"SEC. 8c. Orders regulating handling of commodity. * * *

"(5) Milk and its products; terms and conditions of orders.

"In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7) of this section) no others:

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made, for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handler."

Section 8c(5)(A) makes no reference to the fixing of minimum prices which handlers shall pay to handlers. In clear and unambiguous language the uniformity of minimum class prices required by section 8c(5)(A) applies to the prices all handlers are required to pay for milk purchased from producers. The payments exacted from Kass were authorized by section 927.9(h) of order No. 27, which is entitled "Payments for Milk or Milk Products Other Than Producers' Sources." The pertinent provisions of section 8c(5)(A) of the act authorize minimum class prices for milk received from producers. The contested provisions of the order deal with the different subject matter of payments for milk and milk products received from others than producers. Moreover, section 927.9(h) of order No. 27 fixes no minimum prices. As Judge Learned Hand said in his dissent:

"Section 8c(5)(A) authorizes the insertion in an order of 'terms and conditions' fixing 'minimum prices' that all handlers shall pay 'for milk purchased from producers.' The provisions in suit do not do that; they fix no prices 'for milk purchased from producers' at all, if by 'price' is meant the money that eventually goes to producers in payment for their milk. The differential exacted from a 'nonpool' handler is not the 'price' of anything; moreover—for whatever that may be worth—it is collected 'to accomplish the purposes' of assuring 'minimum prices' for milk delivered by producers, section 8c(5)(C)" (p. 799).

It seems apparent, therefore, that section 927.9(h) of the New York order is not inconsistent with section 8c(5)(A) of the act. Furthermore, the decision in Kass is premised on the assumption that it is the purpose of 8c(5)(A) to secure equality of costs between pool and nonpool handlers on milk or milk products distributed in a regulated marketing area. However, as I read that section, its purpose is to secure equality of costs among regulated handlers on milk purchased from producers. Even though the Kass decision be considered as sound, it is not controlling here. That case is readily distinguishable from the case under review on its facts, in the nature of the problem presented and in many other respects. *United States* v. *Lehigh Valley Cooperative Farmers, supra,* is more closely analogous. In that case the plaintiffs were distributors of milk in northern New Jersey and by virtue of amendments to order No. 27 were brought within the extended New York marketing area. Only a small percentage of plaintiffs' sales were made in the order 27 area, the remainder being made in Pennsylvania. Under an amendment to order No. 27, plaintiffs were subject to partial regulation. Such regulation required nonpool handlers, including plaintiffs, to make compensatory payments to the producers settlement fund for all fluid milk distributed in the order 27 area. These payments were computed on the basis of the difference between the class I (fluid milk) price and the class III (milk products) price of order 27. An exception was made in those cases where pool milk in the area was in short supply. Upon the authority of *Kass* v. *Brannan,* District Judge Clary held the compensatory payments unlawful. He found that the cost of fluid milk distributed by plaintiffs in the order 27 area was in excess of the cost to fully regulated handlers and observed, "This is exactly what Judge Swan said section 608c(5)(A) of the Agricultural Marketing Agreement Act prohibited. *Kass* v. *Brannan, supra.*"

In his opinion Judge Clary said:

"Moreover we feel bound by the holding of the second circuit in the Kass case. Although we are not compelled to accept that court's decision under the concept of stare decisis as it applies to Federal courts and although we might have reached a contrary result if initially called upon to interpret section 608c(5), we do not feel justified in now rejecting the interpretation there placed upon section 608c(5)(A) and upon the earlier version of order No. 27. That court's opinion is always entitled to great weight."

It is apparent from the above quoted language and other statements in his opinion that Judge Clary considered that in determining the validity of the challenged compensatory payments of order 27 he was bound to follow the second circuit's decision in Kass, which had struck down an earlier and somewhat similar provision for compensatory payments in the same order. Judge Clary realized that upon appeal, the Third Circuit Court of Appeals might refuse to follow Kass, and that in such event the case would be remanded to the district court for determination of the following questions: (1) Are the compensatory payments supported by the record? (2) Are such payments authorized by the act? To obviate the necessity of a remand in the event of a reversal, Judge Clary passed upon both questions. He held (1) that the compensatory payments were supported by the record; (2) that such payments were authorized under section 7D of the act as being incidental and necessary to effectuate the other provisions of the order, thereby indicating that if not bound by *Kass* v. *Brannan* he would have upheld the contested provisions of order No. 27 as being in accordance with law. The factors that Judge Clary prudently and properly considered are not present here. This court is not bound to follow *Kass* v. *Brannan,* and for the reasons indicated above and hereinafter to be stated, Kass cannot be regarded as a binding precedential authority.

WERE THE TERMS OF SECTION 975.72(a) OF ORDER 75 AUTHORIZED BY THE AGRICULTURAL MARKETING AGREEMENT ACT?

Such authorization must be found in section 608c(7)(D), which reads:

"(7) Terms common to all orders:

"Orders shall contain one or more of the following terms and conditions:

* * * * *

"(D) Incidental to, and not inconsistent with, the terms and conditions specified in subsections (5)–(7) of this section and necessary to effectuate the other provisions of such order."

At the promulgation hearing, it was disclosed that at the fringe of the Cleveland marketing area and at other nearby points there were a number of nonpool handlers who regularly distributed milk outside the area. Located within the Cleveland area also were nonpool handlers whose regular deliveries of milk were made outside the area. It was reasonably anticipated that from time to time some of these nonpool handlers would sell and distribute their surplus milk in the Cleveland area at its highest value as fluid milk.

Fluid milk sold in the regulated area by nonpool handlers displaces fluid milk sales that otherwise would have been made by pool handlers, causing the latter to use more of their milk for manufacturing purposes (class III), thus reducing the uniform blend price to the producers. The prospect of such results constituted a real threat to the integrity of the basic regulatory plan. At the outset of the promulgation hearing it was considered that all handlers who sold any milk in the Cleveland area should be fully regulated. The proposed order that accompanied the notice of the promulgation hearing so provided. Full regulation under similar circumstances has received judicial approval. (*Titusville Dairy Products Co.* v. *Brannan,* 176 F. 2d 332. Cf. *United States* v. *Rock Royal Cooperative, Inc., supra.*)

At the hearings, however, it was shown that full regulation of such nonpool handlers would subject them to an unwarranted burden of payments and assessments and place them at a severe competitive disadvantage with other nonpool handlers in the sale of milk in nonregulated areas. Accordingly, it was determined that the alternative of partial regulation of nonpool handlers who distributed 10 percent or less of their milk in the regulated area would subserve the purpose of protecting the basic plan of regulation and be equitable to such nonpool handlers. Such alternative was incorporated in section 975.72(A) of order No. 75. The provisions of this section of the order are not inconsistent with subsections (5)–(7) of 608c of the act and being designed to preserve the integrity of the basic plan they must be regarded as incidental and necessary "to effectuate the other provisions of the order." It should be noted that in *Kass* v. *Brannan* the alternative of full regulation was not present. Kass purchased milk products from another handler. He made no purchases of milk from farmers who could have been brought within the ambit of full regulation under order No. 27 as producers.

It is held, therefore, that section 975.72(A) is authorized by law.

ARE THE PROVISIONS OF SECTION 975.72(A) OF ORDER 75 SUPPORTED BY THE EVIDENCE?

As shown above, the payments required of a nonpool handler selling less than 10 percent of his volume of milk in the Cleveland area are based upon the difference between the class I price of fluid milk and the class III price of milk. When the plan of so-called partial regulation was adopted as an alternative to full regulation of such nonpool handlers, the above formula as to the rate of payments was the only one proposed by witnesses at the promulgation hearing. There was abundant evidence that there were class III uses of milk in the Cleveland milkshed and neighboring areas. It was shown also that a similar formula had been incorporated in the Boston, Mass., order.

Plaintiff assails the formula as being predicated upon the assumption that a nonpool handler's initial cost of fluid milk is no greater than the class III price whereas the evidence demonstrates that the average initial cost to plaintiff was in excess

of both the uniform blend price and the uniform class I price of fluid milk under the order. Plaintiff's argument is premised upon the holding of the court in Kass that the initial cost of nonpool milk is a part of the minimum class prices authorized by section 8c(5)(A) of the act. However, such minimum prices apply only to classified milk, i.e., milk purchased from producers. During the period in question plaintiff made no purchases from producers as that term is defined by order No. 75 and which, as thus defined, means a dairy farmer whose milk "is moved directly from his farm to a pool plant." Section 975.8. To apply the principle of uniformity as announced in Kass would mean that any nonpool partially regulated handler whose initial cost was equal to or greater than the uniform class I price could sell fluid milk in the marketing area without making any compensatory payments. The application of the Kass principle of uniformity in cases where a nonpool handler's initial cost was slightly less than the uniform class I price would enable such handler to sell his surplus milk in the marketing area as fluid milk upon the payment of a small differential bearing no relation to the loss sustained by producers. The uniform minimum prices of classified milk referred to in section 8c(5)(A) of the act take no account of the initial cost of milk. Such prices are based upon use values. A pool handler purchasing milk from a producer may, if he chooses, pay a premium above the minimum blend price to farmers, thus increasing his initial cost. However, if a pool handler pays a premium he is nevertheless required to account to the producers settlement fund in the manner provided by the plan.

The initial cost of milk to a pool handler which may be more than the blend price is not a part of any minimum class price. Nor is the initial cost of milk to a nonpool handler part of a minimum class price. The judicial officer was correct in not regarding the evidence of plaintiff's initial cost as material to the issues. Minimum class prices have no application to milk purchased by a nonpool handler. It is erroneous, therefore, to suppose that the formula by which compensatory payments are computed is based in part upon a hypothetical initial cost to a nonpool handler equal to the class III minimum price of milk.

The rate of payment formula rests upon an entirely different principle. It is designed to compensate producers for the loss of fluid milk sales occasioned by nonpool handlers' sales of fluid milk in the marketing area and thus assure the payment of minimum blend prices to producers. Except for its reliance on the principle of Kass plaintiff submits no argument and no evidence tending to show that the compensatory payments in question are unreasonable. At the hearing in the 8c(15)(A) proceeding defendant called John R. Hanson as an expert witness. Hanson testified at length, and stated that in his expert opinion the rate of payment here in question was reasonable, appropriate and necessary. At the close of his direct testimony, counsel for plaintiff said: "The petitioner does not necessarily agree with the argument advanced in the direct examination of this witness but we have no cross-examination."

I agree with the judicial officer that "rulemaking looks to the future and is experimental in nature, being subject to amendment as experience warrants. (*American Airlines, Inc.* v. *Civil Aeronautics Board*, 192 F. 2d 417.) And, of necessity, rulemaking often calls for forecasts and estimates. In the light of the expertise of the Secretary the evidence in the record could legally form the basis for the judgment of the Secretary reflected in the protested provision. (Cf. *Railway Express Agency* v. *Civil Aeronautics Board*, 243 F. 2d 422.)"

Order No. 75 was promulgated by the Secretary on June 29, 1946. Whether the rate of the compensatory payments is supported by evidence must be determined in the light of the record before the Secretary at the time the order issued. Plaintiff did not enter the Cleveland marketing area until December 1947. Nor does it appear that plaintiff's later entrance into the market area was anticipated at the time the order was promulgated. If, as is now contended by plaintiff, the compensatory payments were unreasonable, that fact was known to plaintiff during the period in question. Yet plaintiff made no attempt, by securing an amendment to the order, to have the amount of the payments reduced although it was fully informed of its right to seek such relief. In oral argument plaintiff's counsel said: "We are not saying that we should have a free ride or that anyone should have a free ride." The above statement is hardly consistent with plaintiff's reliance upon Kass which, if followed, would require a determination that plaintiff ought not be required to make any payments. Plaintiff's case, therefore, comes down to an attack upon the rate of payment which, as indicated above, is supported by evidence and its reasonableness confirmed by expert testimony in the proceeding before the judicial officer. In this state of the case there is no basis for holding the contested provision of order No. 27 invalid. It is not without significance that during the period of partial regulation, particularly in the years 1950 and 1951, plaintiff's sales of fluid milk in the Cleveland marketing area increased substantially.

Furthermore, the Secretary has submitted evidence which is not disputed showing that if plaintiff were subject to full regulation as it lawfully might have been its payments for the period in question, including assessments, would have been more than $240,000 in excess of the amount paid by plaintiff under partial regulation.

Although the defendant raised the defense of estoppel as a bar to the maintenance of this action the judicial officer considered it unnecessary to rule upon that question. He also considered it unnecessary to rule upon the issue raised by defendant's pleading the 2-year limitation of action provision in order No. 75. It is regrettable that these issues were not determined in the proceeding before the judicial officer. Absent such administrative determination this court is without authority to decide the unresolved issues. Nor does section 8c(15)(B) of the act authorize a remand of the case except where the Secretary's decision is reversed.

For the reasons hereinabove stated the decision of the Secretary on the merits is affirmed.

An order may be prepared in accordance with this memorandum.

CHARLES J. MCNAMEE,
U.S. District Judge.

AUGUST 18, 1960.

PERMISSION TO FILE CONFERENCE REPORTS—COMMITTEE ON WAYS AND MEANS

Mr. PORTER. Mr. Speaker, on behalf of the Committee on Ways and Means, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file conference reports on the following bills: H.R. 10960, H.R. 12536, and H.R. 12659.

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

There was no objection.

DETERMINATION OF RETAIL PRICE FOR PURPOSES OF EXCISE TAX ON CIGARS

Mr. MILLS submitted a conference report and statement on the bill (H.R. 10960) to amend section 5701 of the Internal Revenue Code of 1954 with respect to the excise tax upon cigars.

EXCLUSION OF LOCAL ADVERTISING CHARGES FROM MANUFACTURERS SALE PRICE

Mr. MILLS submitted a conference report and statement on the bill (H.R. 12536) relating to the treatment of charges for local advertising for purposes of determining the manufacturers sale price.

HEPTANOIC ACID

Mr. MILLS submitted a conference report and statement on the bill (H.R. 12659) to suspend for a temporary period the import duty on heptanoic acid.

EXTENSION OF REMARKS IN THE BODY OF THE RECORD

Mr. PORTER. Mr. Speaker, I ask unanimous consent that the following Members may be permitted to extend their remarks at this point in the body of the RECORD, and to include therein extraneous matter: the gentleman from Indiana [Mr. BRADEMAS], the gentleman from Ohio [Mr. ASHLEY], and the gentleman from Texas [Mr. BURLESON].

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

There was no objection.

CONGRESS MUST ACT TO PROTECT JOBS OF AMERICAN RUBBER FOOTWEAR WORKERS

Mr. BRADEMAS. Mr. Speaker, full employment has now come to be recognized as one of the major objectives of national policy.

As a Member of Congress from one of the great industrial States of our country, I have been deeply concerned about the problem of serious unemployment in a number of areas of Indiana and of course I have given particular attention to unemployment in the district I have the honor to represent.

Earlier this year I joined with the distinguished junior Senator from Indiana, the Honorable R. VANCE HARTKE, in hearing testimony presented at La Porte, Ind., in my district, to the Senate Special Committee on Unemployment Problems. The first bill I introduced in Congress was the area redevelopment bill designed to encourage new industry and more job opportunities in areas of chronic unemployment, and I have also introduced legislation to modernize our unemployment compensation system.

LEGISLATION TO PROTECT JOBS OF AMERICAN RUBBER FOOTWEAR WORKERS

Today, Mr. Speaker, I am introducing in the House of Representatives a joint resolution that is directed toward solving a problem which affects the employment of many thousands of workers in the United States, some 5,000 of whom are in St. Joseph County, Ind., in the South Bend-Mishawaka area. These workers are employed in the rubber footwear industry.

The American rubber footwear industry is now suffering serious injury from

the vast and rapidly increasing quantity of imports of rubber footwear into the United States, chiefly from Japan. Dramatic evidence of the concern of American working men and women about the threat posed to their employment is the fact that I have received over 4,000 postcards and letters from employees of the U.S. Rubber Co. plant in Mishawaka urging the passage of appropriate legislation to help protect their jobs. This plant, located in my congressional district, employs more than 5,000 men and women and is the largest footwear manufacturing plant in the United States.

U.S. RUBBER PLANT AT MISHAWAKA IMPORTANT FACTOR IN ST. JOSEPH COUNTY ECONOMY

The economic health of the U.S. Rubber Co. plant at Mishawaka is understandably a very important factor in the economy of the St. Joseph County labor market area, which has suffered several periods of serious unemployment in recent years. Mr. Speaker, even our present inadequate statistics on the imports of rubber footwear show that imports have been increasing at a remarkable rate, cutting deeply into the domestic market and thus affecting the jobs of American workers in Mishawaka, Ind., and elsewhere in the Nation.

FROM 1955 TO 1959 PAIRS OF IMPORTED RUBBER FOOTWEAR INCREASED 4,867.5 PERCENT

Here are some significant figures: from 1955 to 1959 pairs of imported rubber footwear increased from 1,085,651 to 52,860,697—an increase of 4,867.5 percent.

Approximate figures indicate that 1959 figures were 175.6 percent greater than those of 1958, and 1960 imports will probably be some 129.8 percent higher than those of 1959.

RUBBER FOOTWEAR IMPORTS TOOK 1.3 PERCENT SHARE OF DOMESTIC MARKET IN 1955 BUT 34.9 PERCENT IN 1959

The imports are coming in principally from Japan, where both labor and materials costs are so low that our efficient but high-wage-paying domestic industry is unable to compete in terms of price. For instance, average wages for the footwear industry in the United States are $2.51 per hour while in Japan the average is 20 cents an hour.

As a result, the foreign rubber footwear has been slashing into the domestic market at an alarming rate: imports in 1955 took a 1.3 percent share of the market, but this rose in 1959 to 34.9 percent, with imports of waterproof footwear taking almost 60 percent of that market in 1959.

The Census Bureau's incomplete figures show that rubber footwear imports were about 700,000 pairs in 1954, went up to 2 million in 1956, 6 million in 1957, 19 million in 1958, and 53 million in 1959, substantially all of these being from Japan.

The domestic industry's employment and profit picture is correspondingly discouraging. I am particularly aware of the problem of the factory in Indiana, but the story of layoffs, shortened workweeks, and financial trouble is generally being repeated in all parts of the country where there are rubber footwear plants. If the American industry were now producing at its 1952 share of the domestic market rate, it would have made some 150 million pairs of shoes in 1959 instead of the 99 million actually shipped. This represents a loss of production of 51 million pairs of shoes in 1959 alone, and a loss of between 9,600 and 13,000 full-time jobs.

DEMOCRATIC PARTY PLATFORM DECLARES INDUSTRIES AFFECTED BY FOREIGN TRADE NEED AND DESERVE HELP

Mr. Speaker, I am a strong believer in expanded world trade, as are both President Eisenhower and Senator JOHN F. KENNEDY, the leaders of the two major political parties in our country. But as assistant to the chairman of the platform committee at the Democratic National Convention at Los Angeles, my distinguished friend and colleague, Congressman CHESTER BOWLES, of Connecticut, I was also glad to have had a firsthand opportunity to see the Democratic Party platform recognize that expanded world trade brings difficulties as well as benefits. I was pleased to see our platform take note of the fact that "the increase in foreign imports involves costly adjustment and damage to some domestic industries and communities."

The Democratic platform concluded that—

> Industries and communities affected by foreign trade need and deserve appropriate help.

I agree.

JAPANESE MAINTAIN RIGOROUS RESTRICTIONS ON IMPORTS

And, Mr. Speaker, I should like parenthetically to point out that reciprocal trade agreements should be reciprocal. For these agreements to be effective and mutually beneficial requires a two-way street of negotiation and compromise. An article entitled "'Made-In-Japan' Dilemma," which appeared in the New York Times of June 12, 1960, made this telling commentary on American-Japanese trade agreements:

> Japan's own attitude presents a formidable block to trade benevolence by others. Ironically this nation that is so successfully invading foreign markets maintains tariffs, quotas, and other import restrictions that are among the world's most rigorous.

CENSUS BUREAU TO COMPILE STATISTICS ON RUBBER FOOTWEAR IMPORTS

Mr. Speaker, the joint resolution I am today introducing is an economically sound and economically responsible proposal. If my bill is passed by Congress and becomes law, it can go a long way toward enabling the American rubber footwear industry to maintain its economic health and workers in that industry to retain their jobs.

The purpose of my bill is simple: It would direct the Census Bureau of the U.S. Department of Commerce to compile statistics on imports of rubber footwear from foreign countries by type of footwear.

Mr. Speaker, let me explain why this legislation is desirable.

Under the Trade Agreements Act, which governs our trade relations with other nations, the only avenue of administrative relief for an American industry which is suffering serious injury from imports from abroad is an escape clause proceeding before the U.S. Tariff Commission.

Under the escape clause procedure, the President may take action to restrict imports if the Tariff Commission finds, after a thorough, factfinding investigation, that imports are causing or threatening serious injury to the domestic industry.

AMERICAN RUBBER INDUSTRY LACKS IMPORT DATA

The U.S. rubber footwear industry has available for presentation to the Tariff Commission all the necessary documentation to make its case for escape clause action with the exception of accurate data on imports of rubber footwear. The statistics compiled by the Bureau of the Census, which is the only reliable source, are inadequate. The purpose of this bill therefore is to obtain accurate statistics on rubber footwear imports in order to enable the domestic industry to prepare a full and adequate application to the Commission. The lack of such statistics has caused the domestic industry great difficulty in ascertaining the extent to which imports of rubber footwear have caused serious injury within the meaning of the escape clause.

ESCAPE CLAUSE PROVISION EXPLAINED

The escape clause provision requires the Tariff Commission to undertake an investigation at the request of any interested party. In the course of the investigation, which usually involves a public hearing, the Tariff Commission studies the domestic industry concerned (i.e., the industry in the United States producing articles "like or directly competitive" with the imported products complained of). In order to find injury to the domestic industry the Commission must conclude that imports of the competitive product have been increasing as a result of a tariff concession and that such increased imports are adversely affecting the domestic industry. Various factors are taken into consideration by the Commission. These are: a downward trend of production, employment, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

Within 6 months from the filing of an application the Commission must complete its investigation and report to the President. If it finds actual or threatened serious injury it is required to recommend an increase in the duty rates or the imposition of a quota or both. The President then must either adopt the recommendation or within 60 days report to the Senate Finance and the House Ways and Means Committees; the statute also provides that if the President rejects the Commission's recommendations, a congressional resolution may overrule the President.

One of the vexing problems which has faced the Commission, and which has been important in preventing it from recommending relief, is the failure of the domestic industry to present full information, thus leaving a gap in the vital statistics concerning domestic production and profits. The domestic rub-

ber footwear industry is able to present full statistics on the domestic field; however, it is seriously handicapped because it is unable to obtain adequate import statistics.

DETAILED IMPORT STATISTICS NEEDED

It is essential that detailed information be submitted to the Tariff Commission if an application is to receive sympathetic consideration. One of the kinds of information necessary is a detailed definition of the various imported products involved in the hearing and statistics by quantity and value for each type of product. This is especially important in the case of rubber footwear. The domestic industry produces distinct and varying types of footwear: Classic tennis and basketball shoes, women's specialty shoes with rubber soles and fabric or synthetic uppers, other types of rubber-soled casual shoes with fabric, synthetic, plastic, or other kinds of uppers, rubber boots for sport or outdoor or dress wear, rubbers, arctics, gaiters, and others. The escape clause now provides specifically that domestic producing organizations may be segmented by type of product and the operations attributable thereto. This enables the Commission to observe the interaction between a particular kind of import and the domestic operations involved in producing a comparable product. For example, if appropriate census figures were available, the domestic rubber footwear industry could present to the Commission an application for tariff relief on certain specified types of rubber footwear. This may be of great importance to the industry. There are indications that the case for import protection against waterproof—weather protective—footwear is one of serious urgency and that if adequate statistics were available this case could be presented convincingly now, on its own merits, independently of the status of other kinds of rubber footwear.

Similarly, without detailed statistics showing the imports of the different types of footwear, the domestic industry is seriously handicapped in proving to the Commission that its products are "like or directly competitive" with the import complained of. The industry must be able to show, for example, that its operations involving rubber boots are being injured by imports of rubber boots; inadequate import statistics which lump rubber boots indiscriminately with rubber beachwear make such a showing difficult or impossible.

Statistics showing the quantity and value of imports of the various products from the various countries must also be available going back to some point before the granting of the concession so that it is clear that imports have increased since the lowering of the rate. Information must also be presented which describes the domestic industry producing articles directly competitive with those being imported.

CENSUS BUREAU DATA NECESSARY

Without the possession of detailed import statistics an adequate presentation cannot, for the reasons given above, be made by the domestic industry involved. The Census Bureau, which collects import data at the various ports of entry, is the only reliable source of such information. Statistics issued by foreign countries are available to varying extents, but are usually unreliable and inadequate. In the case of rubber footwear the Japanese Ministry of Finance has issued statistics showing the exportation of footwear to the United States. The figures are arranged by categories of type of footwear through 1959, but the categories are neither consistent nor meaningful, and their accuracy is not beyond question.

The Census Bureau now keeps statistics on rubber footwear broken down as follows: First, rubber boots; second, rubber shoes and overshoes; and third, rubber soled shoes with fabric uppers. Each of these categories includes different types of shoes, and without a further breakdown it is not possible to make an adequate analysis of the effect of imports on the domestic industry.

INADEQUACY OF STATISTICS ILLUSTRATED

One illustration of the inadequacy of our statistics is the problem of Japanese rubber thong sandals, known as zories. These shoes have recently become enormously popular in the domestic market, but we have not been able to obtain any reliable figures as to the quantity being imported or the quantity being consumed. Journal of Commerce figures indicate approximately 12,763,000 pairs imported in 1959. One of the importers claims that the figure actually is as high as 68 million. Zories imports are of the greatest concern since they have taken from the domestic industry the market for casual beach and lounge footwear which was formerly supplied by the domestically produced stroller. In view of the current enormous size of this market, this is a very substantial loss, but without reliable figures showing the quantity of zories imported the domestic industry cannot demonstrate the extent of the loss. There may well be other types of footwear which have similarly displaced domestic production, which could be shown with adequate import statistics.

CLASSIFICATION DIFFICULTIES

The problem is additionally complicated by the fact that, according to the Census Bureau, many of these rubber shoes have been classified as manufactures of rubber rather than as rubber footwear, so that it is not even possible to obtain an accurate total footwear import figure. The official U.S. import figure for rubber footwear in 1959 is 53 million; the figure reported by the Japanese is somewhere between 61 million and 88 million—it is impossible to tell in some cases whether the Japanese categories are leather or rubber footwear.

Another example of inadequate customs classification in the present reporting system is rubber-soled shoes. Shoes with fabric uppers are separate and distinct from shoes with plastic uppers, and are not necessarily similar among themselves, that is, tennis shoes are different from basketball shoes, women's specialty shoes, and so forth. The statistics should distinguish between such types of shoes.

There is a great deal of other statistical data important to an adequate Tariff Commission presentation. The applicant is requested to present detailed figures on domestic production, profits, employment, costs, and so forth. All such statistical information is available since about 95 percent of the domestic industry is cooperating in the compilation of statistics. The industry is also prepared to present detailed figures concerning the different kinds of shoes it has produced in the past decade and is currently producing in order to correlate such data with any breakdown obtainable on imports. The only gap in the necessary statistical presentation is, therefore, the lack of accurate import figures.

PROFITS AND EMPLOYMENT DOWN

Profits and employment in the domestic rubber footwear industry are fast declining in spite of the fact that consumption is at an all-time high and has been growing far ahead of the population increase. Japanese wage and other cost figures are extremely low and it is almost impossible for the domestic product to compete in terms of price. In at least one case domestic production of a very popular type of shoe has ceased completely because of Japanese competition. The fact that imports are seriously injuring the domestic industry is clear, as is the need for immediate action if permanent damage to the industry is to be avoided.

THE NEED FOR THIS LEGISLATION IS CLEAR

Mr. Speaker, I believe the need for the legislation I am today introducing is clear. I believe my bill, by requiring the Census Bureau to compile statistics on imports of rubber footwear by type of shoe, offers the best hope for the American rubber footwear industry to present its case effectively to the United States Tariff Commission.

Mr. Speaker, I am aware that Congress is not likely to act on my proposal during this session. But I believe that the introduction of this joint resolution now will start the ball rolling for favorable action next year.

Mr. Speaker, I urge the next Congress to act promptly and favorably on this measure. The jobs of several thousand American workers and the economic health of an important industry may well depend upon such action.

The text of the joint resolution follows:

JOINT RESOLUTION TO PROVIDE FOR THE COMPILATION OF RUBBER FOOTWEAR IMPORT STATISTICS BY TYPE OF FOOTWEAR

Whereas it is the policy of Congress, as expressed in subsection (e) of section 484 of the Tariff Act of 1930 (19 U.S.C., sec. 1484 (e)), that there be kept a detailed enumeration for statistical purposes of all merchandise imported into the United States, such enumeration established by the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the United States Tariff Commission, and reported on the entry statement in conformity with such enumeration, by quantity and value for each kind of article imported;

Whereas it is the policy of Congress, as expressed in sections 6 and 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., secs. 1363 and 1364) that any domestic industry shall obtain tariff relief which can show to the satisfaction of the Tariff Commission and the President of the United States that it is suffering or threatened with

serious injury by imports of like or directly competitive products which are increasing as a result of a trade concession;

Whereas adequate import statistics must be available to the domestic industry to enable it to establish the need for relief by the criteria set forth in the aforementioned Trade Agreements Extension Act;

Whereas the import statistics on rubber footwear currently compiled by the Bureau of the Census of the Department of Commerce are inadequate for the purpose of showing the quantity and value of types of rubber footwear imported;

Whereas the domestic rubber footwear industry is currently facing serious injury from the greatly increased and increasing imports of rubber footwear: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the United States Tariff Commission are authorized and directed to establish an enumeration of articles of rubber footwear imported into the United States, such enumeration shall be made for the year 1959 and for each year thereafter and shall be in the following detail:

(1) Rubber footwear imported under paragraph 1530(e) of the Tariff Act of 1930, to be reported as follows: rubber-soled shoes with fabric uppers, such as tennis shoes, bals, and oxfords; rubber-soled shoes with fabric uppers (other than tennis shoes, bals, and oxfords), such as specialty shoes (including women's casuals); rubber-soled shoes with toya cloth uppers; rubber-soled shoes with plastic uppers (including vinyl film uppers); others; and

(2) Rubber footwear imported under paragraph 1537(b) of the Tariff Act of 1930 to be reported as follows: rubber boots; gaiters and arctics; rubber shoes; zories; waterproof shoes with plastic uppers (including vinyl film uppers); others.

SEC. 2. As a part of the entry into the United States of any rubber footwear there shall be attached thereto an accurate statement specifying in terms of the detailed enumeration as set forth in the first section of this joint resolution the kinds and quantities of all such merchandise imported and the value of the total quantity of each kind of article.

SEC. 3. The recording and compilation of rubber footwear import statistics as described in this joint resolution shall be made at the expense of the United States and no charges therefor shall be made to any other person.

COMMUNISM IN LATIN AMERICA

Mr. SIKES. Mr. Speaker, the problems posed for the free world by Korea, Vietnam, and the Middle East on yesterday will, I predict, be repeated in Latin America on tomorrow. The picture of events there is far from clear, but its portent is ominous. Castro has virtually delivered Cuba into the grasp of the Communists. Territory once seized by the Communists is rarely relinquished. South Korea was freed from Communist forces by force of arms after United States and U.N. forces went to the rescue. Guatemala threw out a Communist government when the martyred Castillo-Armas sparked a revolution from within. Later the Communists had him killed but the fact remains that only Guatemala in all the world has escaped from Communist domination with its territory intact, after Communist domination had been established. It is clear to see that Cuba can be the beachhead which communism has so long sought in Latin America. Unless positive action is taken—and that means positive action by the United States—Cuba can quickly become the capital of the Communist movement everywhere in Latin America.

Castro's order to the Cuban government to seize all American property in Cuba should have awakened the American people and the Eisenhower administration to the fact that this act is a part of the normal routine of every Communist government that comes to power. That it coincided with the meeting of the Communist-controlled Latin American Youth Congress in Havana adds to its significance. Seizure and promised distribution of private property has a profound effect on the young and impressionable. It has an even more profound effect upon the have-nots, of whom there are many in Latin America. It is most profound in its effect when the seized property belongs to citizens of the rich and powerful United States and this Nation does nothing about it.

There are many things which can be done which are short of armed intervention. American know-how and American dollars, which still are available to Cuba in surprisingly large amounts, are indispensable to Cuba. Castro cannot replace them elsewhere and without them Cuba would quickly collapse economically. Castro cannot survive such a collapse.

In the meantime, Castro's success in twisting Uncle Sam's nose has had quite an effect upon the people of Latin America. Let us face it. Aided and abetted by Russia, others will try it. The world, and particularly Latin America will be watching what the Eisenhower administration does. If there ever was a time when the phrase our Government has so frequently used on others, "deeds, not words," should be invoked, it is now.

It has frequently been said that U.S. policy is quickly to patch together a program to meet the effects of a crisis which has taken place, instead of designed policies and programs to meet crises which may be anticipated. Perhaps this has been the crux of our problems in many parts of the world. Certainly unnecessary damage has been done in Cuba through the policy of inertia and wishful thinking. It has also been said—with good cause—that the Congress of the United States is at least 2 years ahead of the Government in its reaction to world problems. The prodding of the Congress has, I believe, influenced some stiffening of U.S. attitude toward Cuba. Here again the case of Guatemala comes to mind. Here U.S. policy was timely and effective, and to considerable measure this has been because of congressional initiative. The Congress has emphasized over and over again the necessity of demonstrating to the world that the Guatemalan experiment in democracy could succeed.

The objective there as elsewhere, is simply to show that the needs of a people can be met better through democratic processes than through those of a totalitarian system. On the credit side of the ledger is the fact that the people of a small neighboring Latin American state, working now through the forward-looking leadership of President Miguel Ydigoras Fuentes, assisted in time—and I emphasize in time—by a sympathetic and understanding United States, is confronting serious problems with maturity, courage, patience, and faith.

This nation is our friend. People everywhere want to be friends of this nation and of freedom. The people of Cuba are our friends but the current Cuban dictator has alienated some of them. The others are afraid to speak. A firm policy toward Castro and toward Communist stooges elsewhere will give the people an opportunity to demonstrate their friendship for the people of the United States.

It is high time that the United States begins to recognize that she has friends in Latin America who can be counted upon. There are some so-called friends who, when the chips are down, do not stand with us. As reported in the Christian Science Monitor of August 26, 1960, Bolivia, Ecuador, Honduras, Mexico, Panama, and Venezuela were not willing to go along with the strong condemnation of Soviet intervention in the Western Hemisphere through Cuba, which the United States was anxious to be adopted. On the other hand, the report adds that "the United States can count on Brazil, Argentina, Guatemala, and a few others."

I think it is essential that we recognize that these countries which demonstrate their friendship for us, cherish common ideals and principles with us, and we must not permit those ideals to be sacrificed at the altar of complacency. I think it equally essential that the United States adopt a strong policy toward communism in the Western Hemisphere which will make it impossible for communism to gain a lasting foothold here, and around which our friends can rally with complete confidence.

PRINTING OF COMMITTEE ACTIVITY REPORTS

Mr. BURLESON. Mr. Speaker, with reference to the printing of committee activity reports for the session, as vice chairman of the Joint Committee on Printing, I wish to remind the chairmen of all committees that the Joint Committee on Printing has very properly ruled that the printing of such reports, both as committee prints and in the RECORD, is duplication, the cost of which cannot be justified.

It is requested that committee chairmen decide whether they wish these reports printed as committee prints or in the RECORD, since the Government Printing Office will be directed not to print them both ways.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, tomorrow, and to revise and extend his remarks and to include extraneous matter.

Mr. VANIK, for 30 minutes, tomorrow, and to revise and extend his remarks.

Mr. STRATTON, for 60 minutes, today.

Mr. SCHERER, for 10 minutes, today.

Mr. HECHLER, for 30 minutes, on tomorrow.

Mr. FLOOD, for 30 minutes, on tomorrow.

Mr. O'HARA of Illinois, for 1 hour, tomorrow.

Mr. THOMPSON of New Jersey (at the request of Mr. MCCORMACK), for 20 minutes today, to revise and extend his remarks and include extraneous matter.

Mr. WOLF (at the request of Mr. MCCORMACK), for 15 minutes, tomorrow.

Mr. DENT, for 15 minutes, tomorrow.

Mr. PUCINSKI asked that his special order for August 31 be extended to 2 hours.

Mr. WRIGHT, for 30 minutes, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCCORMACK (at the request of Mr. ASPINALL) and include extraneous matter.

Mr. KILGORE and include a speech by Mr. WALTER.

Mr. SCHERER, in the body of the RECORD in connection with remarks to be made in connection with the retirement of three Members from Ohio.

Mr. MCDONOUGH and to include extraneous matter.

Mr. MINSHALL.

Mr. FISHER.

Mr. HECHLER and to include extraneous matter.

Mr. HOFFMAN of Michigan, to revise and extend the remarks he made earlier today and include a newspaper article, not extraneous, but related to the remarks.

Mr. RHODES of Arizona.

At the request of Mr. WEAVER, the following Members be permitted to extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter:

Mr. VAN ZANDT.

Mr. CHIPERFIELD.

Mr. FINO.

Mr. WAINWRIGHT.

Mr. ROBISON of New York in two instances.

(At the request of Mr. PORTER and to include extraneous matter, the following:)

Mr. KEOGH.

Mr. GARMATZ.

Mr. ZELENKO.

Mrs. GRIFFITHS.

Mr. FASCELL.

Mr. ROOSEVELT.

Mr. GIAIMO.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 12619. An act making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 900. An act to validate certain overpayments inadvertently made by the United States to several of the States and to relieve certifying and disbursing officers from liability therefrom;

H.R. 2069. An act for the relief of James H. Presley;

H.R. 2178. An act to authorize the Secretary of the Army to make certain changes in the road at White Branch, Grapevine Reservoir, Tex.;

H.R. 4059. An act to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States;

H.R. 6084. An act for the relief of J. Butler Hyde;

H.R. 6767. An act for the relief of Raymond Baurkot;

H.R. 7124. An act to require the payment of tuition on account of certain persons who attend the public schools of the District of Columbia, and for other purposes;

H.R. 7792. An act for the relief of Martin A. Mastandrea;

H.R. 8054. An act for the relief of William Edgar Weaver;

H.R. 8989. An act for the relief of Ralph W. Anderson;

H.R. 9377. An act to provide for the protection of forest cover for reservoir areas under the jurisdiction of the Secretary of the Army and Chief of Engineers;

H.R. 9406. An act for the relief of William J. Huntsman;

H.R. 9417. An act for the relief of Henry Kaloian;

H.R. 9432. An act for the relief of Maj. Edmund T. Coppinger;

H.R. 9958. An act for the relief of Brooklyn Steel Warehouse Co.;

H.R. 10431. An act for the relief of Isami Nozuka (also known as Isami Notsuka);

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. 11165. An act for the relief of Robert J. Reeves;

H.R. 11188. An act for the relief of Edward S. Anderson;

H.R. 11327. An act for the relief of Chauncey A. Ahalt;

H.R. 11390. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes;

H.R. 11420. An act for the relief of Ferdinand Hofacker;

H.R. 11460. An act for the relief of Edouard E. Perret;

H.R. 11486. An act for the relief of Richard J. Power;

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

H.R. 12350. An act for the relief of Marion John Nagurski;

H.R. 12471. An act for the relief of Capt. Lucien B. Clark [redacted], MSC, U.S. Army;

H.R. 12475. An act for the relief of Claude L. Wimberly;

H.R. 12476. An act for the relief of John H. Esterline;

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

H.R. 12563. An act to amend the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937, as amended;

H.R. 12619, making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, 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.

ADJOURNMENT

Mr. PORTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 31, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2430. Under clause 2 of rule XXIV, a letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "a bill to amend section 1037 of title 10, United States Code, to authorize payment of costs for certain United States nationals before foreign tribunals", was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 10311. A bill providing that certain provisions of Public Law 335 dated October 7, 1949 (63 Stat. 724), shall apply to the Mercedes division of the lower Rio Grande rehabilitation project, Texas; with amendment (Rept. No. 2201). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 1092. An act to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas, and for other purposes; with amendment (Rept. No. 2202). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 2195. An act to authorize the Secretary of the Interior to construct, operate, and maintain the western division of The Dalles Federal reclamation project, Oregon, and for other purposes; with amendment (Rept. No. 2203). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2761. An act to validate payments made for certain emergency conservation measures under the program authorized by the Third Supplemental Appropriation Act, 1957; without amendment (Rept. No. 2204). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. Report pursuant to section 136 of Legislative Appropriation Act of 1946, Public Law 601, 79th Congress; without amendment (Rept. No. 2205). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. House Resolution 623. Resolution relative to the operation of the Panama Line; with amendment (Rept. No. 2206). Referred to the House Calendar.

Mr. DAWSON: Committee on Government Operations. Twenty-fifth report of the Committee on Government Operations; without amendment (Rept. No. 2207). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 636. Resolution for the consideration of S. 2917. An act to establish a price support level for milk and butterfat; without amendment (Rept. No. 2208). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 637. Resolution for the consideration of H.R. 13021. A bill to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes; without amendment (Rept. No. 2209). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 3018. An act to authorize the Maritime Administration to make advances on Government-insured ship mortgages; with amendment (Rept. No. 2210). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee of conference. H.R. 13161. A bill making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 2211). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 12659. A bill to suspend for a temporary period the import duty on heptanoic acid (Rept. No. 2212). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 12536. A bill relating to the treatment of charges for local advertising for purposes of determining the manufacturers sale price (Rept. No. 2213). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 10960. A bill to amend section 5701 of the Internal Revenue Code of 1954 with respect to the excise tax on cigars (Rept. No. 2214). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 13218. A bill to provide for the construction, operation, and maintenance of the Savery-Pot Hook Federal reclamation project, Colorado-Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H.R. 13219. A bill to provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees; to the Committee on Education and Labor.

H.R. 13220. A bill to authorize the Commissioner of Education to enter into contracts for the education of children of migrant agricultural employees, and to provide for fellowships for training teachers of such children; to the Committee on Education and Labor.

By Mr. BLATNIK:

H.R. 13221. A bill to establish the National Foundation on Aging; to the Committee on Education and Labor.

By Mr. INOUYE:

H.R. 13222. A bill to provide that the Secretary of State shall investigate and report to the Congress as to the feasibility of establishing a Pacific International House on Sand Island, Hawaii; to the Committee on Foreign Affairs.

By Mr. MARTIN:

H.R. 13223. A bill to amend the Tariff Act of 1930, as amended, with respect to the duties on hair of the cashmere goat; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 13224. A bill to implement the Agreement on the Importation of Educational, Scientific, and Cultural Materials, opened for signature at Lake Success on November 22, 1950; to the Committee on Ways and Means.

By Mr. THOMSON of Wyoming:

H.R. 13225. A bill to provide for the construction, operation and maintenance of the Savery-Pot Hook Federal reclamation project, Colorado-Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. TOLL:

H.R. 13226. A bill to amend the United States Information and Educational Exchange Act of 1948 to provide for counseling and other assistance to foreign students attending colleges or universities in the United States; to the Committee on Foreign Affairs.

By Mr. WESTLAND:

H.R. 13227. A bill to create the Freedom Commission for the development of the science of counteraction to the world Communist conspiracy and for the training and development of leaders in a total political war; to the Committee on Un-American Activities.

By Mr. COOLEY:

H.R. 13228. A bill to further amend the Trade Agreements Extension Act of 1951, as amended; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.J. Res. 803. Joint resolution to provide for the compilation of rubber footwear import statistics by type of footwear; to the Committee on Ways and Means.

By Mr. WESTLAND:

H.J. Res. 804. Joint resolution to authorize the Secretary of Commerce to construct a modern stern ramp trawler to be used for research purposes and authorizing the appropriation of funds; to the Committee on Merchant Marine and Fisheries.

By Mr. GREEN of Pennsylvania:

H. Con. Res. 732. Concurrent resolution expressing the sense of Congress in favor of granting relief to the domestic carpet industry; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H. Res. 635. Resolution to provide for an investigation of the Department of Defense directive on transportation of household goods of military and civilian personnel; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 13229. A bill for the relief of Shi-Kuang Yao; to the Committee on the Judiciary.

By Mr. MARTIN:

H.R. 13230. A bill for the relief of Sih Chuen Liu; to the Committee on the Judiciary.

By Mr. RILEY:

H.R. 13231. A bill for the relief of Jagat Kumar Kaul; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 13232. A bill for the relief of Necasio Agustin, Artemio Agustin, and Gloria Agustin; to the Committee on the Judiciary.

H.R. 13233. A bill for the relief of Leonila Tolentino and Gloria Tolentino; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H.R. 13234. A bill to authorize the reconveyance to the former owner thereof of certain property at Cheli Air Force Depot, Los Angeles County, Calif., when such property is declared surplus to the needs of the United States; to the Committee on Government Operations.

By Mr. WEIS:

H.R. 13235. A bill for the relief of Antonio Folliero; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

539. Mr. STRATTON presented a petition of Mr. Sam Caparossi, Gloversville, N.Y., secretary-treasurer, and 18 other members of local 234 of the International Barbers Union urging adoption of H.R. 11418; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Radio and Television Programing

EXTENSION OF REMARKS

OF

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 30, 1960

Mr. GIAIMO. Mr. Speaker, the concern of our Nation with the uses being made of radio and television has been reflected many times in discussions conducted on this floor. I know that our citizens recognize the fine work of this Congress to insure that the vast resources of the radio and television media would be used constructively.

Last fall, I was among many who spoke out against the indifference to the public interest revealed in certain TV and radio practices. At that time I urged the listening and viewing public in my Connecticut community to insist upon an improvement of radio and television programing.

Mr. Speaker, I believe we should continue our concern with our national educational and entertainment media; I believe citizens should expect that the great power of the airwaves be used in behalf of the public good. I believe that this concern should be expressed not only by criticism of what is bad but also acclaim for what is praiseworthy.

In this regard, Mr. Speaker, I wish to call the attention of the House to a unique program being developed by the National Broadcasting Company. Recognizing the urgent need for widespread public participation in defining America's national goals and purposes, the National Broadcasting Co. will begin a