

The motion was agreed to; and (at 8 o'clock and 53 minutes p.m.), the Senate adjourned, under the order previously entered, until Monday, March 28, 1960, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate March 24 (legislative day of March 23), 1960:

##### FEDERAL COMMUNICATIONS COMMISSION

Edward K. Mills, Jr., of New Jersey, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1954, vice John C. Doerfer, resigned.

## HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 24, 1960

The House met at 12 o'clock noon.

Rev. William F. Skinner, the Central Presbyterian Church, Downingtown, Pa., offered the following prayer:

O God, our Father, who hast been our dwelling place in all generations: we come to Thee this day with praise of lip, thanksgiving of heart, and humility of spirit.

May we turn to Thee not only when there is none other; but in all things let us seek first Thy will, searching ever for new avenues of implementing love and brotherhood and peace and hope.

Unto our President, our Speaker, and the Members of Congress, Thou hast entrusted grave and great responsibilities; sustain us, O Lord, with the knowledge that Thou art the source of strength and energy, sufficient for every need. Descend Thou upon us; touch our eyes with a vision of Thy majesty and glory; touch our minds with Thy timeless truth; touch our hearts with understanding and love.

Grant that we may seize every opportunity of replacing error with truth, sorrow with joy, misery with happiness, enslavement with freedom, and despair with hope.

Thou hast been our help in ages past, and we rest now in the assurance that Thou will be our hope for years to come.

This we pray in the name of Christ. Amen.

#### THE JOURNAL

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

#### CIVIL RIGHTS

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H.R. 8601) to enforce constitutional rights, and for other purposes.

The Clerk will read.

#### CALL OF THE HOUSE

Mr. FLYNT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Without objection, a call of the House will be ordered.

There was no objection.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Anderson, Mont. Arends Barden	Barry Blatnik Blitch	Minshall Pelly Powell
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The SPEAKER. On this rollcall 422 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### CIVIL RIGHTS

The SPEAKER. The Clerk will read the engrossed copy of the bill H.R. 8601, to enforce constitutional rights, and for other purposes.

The Clerk read as follows:

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

##### TITLE I

##### Obstruction of court orders

SEC. 101. Chapter 73 of title 18, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1509. Obstruction of certain court orders

"Whoever corruptly, or by threats or force, or by any threatening letter or communication, willfully prevents, obstructs, impedes, or interferes with or willfully endeavors to prevent, obstruct, impede, or interfere with the due exercise of rights or the performance of duties under any order, judgment, or decree of a court of the United States which (1) directs that any person or class of persons shall be admitted to any public school, or (2) directs that any person or class of persons shall not be denied admission to any public school because of race or color, or (3) approves any plan of any State or local agency the effect of which is or will be to permit any person or class of persons to be admitted to any public school, shall be fined not more than \$1,000 or imprisoned not more than sixty days, or both.

"No injunctive or other civil relief against the conduct made criminal by this section shall be denied on the ground that such conduct is a crime; provided that any such fine or imprisonment imposed for violation of such injunction shall be concurrent with and not consecutive or supplemental to any criminal penalty imposed hereunder.

"This section shall not apply to an act of a student, officer, or employee of a school if such act is done pursuant to the direction of, or is subject to disciplinary action by, an officer of such school."

SEC. 102. The analysis of chapter 73 of such title is amended by adding at the end thereof the following:

"1509. Obstruction of certain court orders."

##### TITLE II

*Flight to avoid prosecution for damaging or destroying any building or other real or personal property or to avoid prosecution for communicating any threat or false information with respect to any attempt to commit such an act*

SEC. 201. Chapter 49 of title 18, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1074. Flight to avoid prosecution for damaging or destroying any building or other real or personal property or to avoid prosecution for communicating any threat or false information with respect to any attempt to commit such an act

"(a) Whoever moves or travels in interstate or foreign commerce with intent either (1) to avoid prosecution, or custody, or confinement after conviction, under the laws of the place from which he flees, for willfully attempting to or damaging or destroying by fire or explosive any building, structure, facility, vehicle, dwelling house, synagogue, church, religious center or educational institution, public or private, or (2) to avoid giving testimony in any criminal proceeding relating to any such offense shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

"(b) Whoever moves or travels in interstate or foreign commerce with intent either (1) to avoid prosecution, or custody, or confinement after conviction, under the laws of the place from which he flees, for willfully imparting or conveying, or causing to be imparted or conveyed, through the use of the mail, telephone, telegraph, or other instrument of commerce, or any other mode of communication, any threat or false information, knowing the same to be false, concerning an attempt or alleged attempt being made or to be made, to perform any act to damage or destroy by fire or explosive any building, structure, facility, vehicle, dwelling house, synagogue, church, religious center or educational institution, public or private, or (2) to avoid giving testimony in any criminal proceeding relating to such an offense, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

"(c) Violations of this section may be prosecuted in the Federal judicial district in which the original crime was alleged to have been committed or in which the person was held in custody or confinement: *Provided, however,* That this section shall not be construed as indicating an intent on the part of Congress to prevent any State, Territory, Commonwealth, or possession of the United States of any jurisdiction over any offense over which they would have jurisdiction in the absence of such section."

SEC. 202. The analysis of chapter 49 of such title is amended by adding thereto the following:

"1074. Flight to avoid prosecution for damaging or destroying any building or other real or personal property or to avoid prosecution for communicating any threat or false information with respect to any attempt to commit such an act."

##### TITLE III

##### Federal election records

SEC. 301. Every officer of election shall retain and preserve, for a period of two years from the date of any general, special, or primary election of which candidates for the office of President, Vice President, presidential elector, Member of the Senate, Member of the House of Representatives, or Resident Commissioner from the Commonwealth of Puerto Rico are voted for, all records and papers which come into his possession relating to any application, registration, payment of poll tax, or other act requisite to voting in such election, except that, when required by law, such records and papers may be delivered to another officer of election, and except that, if a State or the Commonwealth of Puerto Rico designates a custodian to retain and preserve these records and papers at a specified place, then such records and papers may be deposited with such custodian, and the duty to retain and preserve any record or paper so deposited shall devolve upon such custodian. Any officer of election or custodian who willfully fails to comply

with this section shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

SEC. 302. Any person, whether or not an officer of election or custodian, who willfully steals, destroys, conceals, mutilates, or alters any record or paper required by section 301 to be retained and preserved shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

SEC. 303. Any record or paper required by section 301 to be retained and preserved shall, upon demand in writing by the Attorney General or his representative directed to the person having custody, possession, or control of such record or paper, be made available for inspection, reproduction, and copying by the Attorney General or his representative. This demand shall contain a statement of the basis and the purpose therefor.

SEC. 304. Any record or paper demanded pursuant to section 303 shall be produced for inspection, reproduction, and copying at the principal office of the person upon whom such demand is made or at an office of the United States attorney in the district in which such records or papers are located.

SEC. 305. Unless otherwise ordered by a court of the United States, neither the Attorney General nor any employee of the Department of Justice, nor any other representative of the Attorney General, shall disclose any record or paper produced pursuant to this title, or any reproduction or copy, except to Congress and any committee thereof, governmental agencies, and in the presentation of any case or proceeding before any court or grand jury.

SEC. 306. The United States district court for the district in which a demand is made pursuant to section 303, or in which a record or paper so demanded is located, shall have jurisdiction by appropriate process to compel the production of such record or paper.

SEC. 307. As used in this title, the term "officer of election" means any person who, under color of any Federal, State, Commonwealth, or local law, statute, ordinance, regulation, authority, custom, or usage, performs or is authorized to perform any function, duty, or task in connection with any application, registration, payment of poll tax, or other act requisite to voting in any general, special, or primary election at which votes are cast for candidates for the office of President, Vice President, presidential elector, Member of the Senate, Member of the House of Representatives, or Resident Commissioner from the Commonwealth of Puerto Rico.

#### TITLE IV

##### *Civil Rights Commission extended for two years*

SEC. 401. Section 105 of the Civil Rights Act of 1957 (42 U.S.C. Supp. V 1975d) (71 Stat. 635) is amended by adding the following new subsection at the end thereof:

"(h) Without limiting the generality of the foregoing, each member of the Commission shall have the power and authority to administer oaths or take statements of witnesses under affirmation."

SEC. 402. Section 105(a) of the Civil Rights Act of 1957 (42 U.S.C. Supp. V 1975d(a)) (71 Stat. 635) is amended by striking out the words "in accordance with the civil service and classification laws," and inserting in lieu thereof the words "without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended."

#### TITLE V

##### *Education of children of members of Armed Forces*

SEC. 501. (a) Subsection (a) of section 6 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended, relating to arrangements for the provision of

free public education for children residing on Federal property where local educational agencies are unable to provide such education, is amended by inserting after the first sentence the following new sentence: "Such arrangements to provide free public education may also be made for children of members of the Armed Forces on active duty, if the schools in which free public education is usually provided for such children are made unavailable to them as a result of official action by State or local governmental authority and it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children."

(b) (1) The first sentence of subsection (d) of such section 6 is amended by adding before the period at the end thereof: "or, in the case of children to whom the second sentence of subsection (a) applies, with the head of any Federal department or agency having jurisdiction over the parents of some or all of such children".

(2) The second sentence of such subsection (d) is amended by striking out "Arrangements" and inserting in lieu thereof "Except where the Commissioner makes arrangements pursuant to the second sentence of subsection (a), arrangements".

SEC. 502. (a) Section 10 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended relating to arrangements for facilities for the provision of free public education for children residing on Federal property where local educational agencies are unable to provide such education, is amended by inserting after the first sentence the following new sentence: "Such arrangements may also be made to provide, on a temporary basis, minimum school facilities for children of members of the Armed Forces on active duty, if the schools in which free public education is usually provided for such children are made unavailable to them as a result of official action by State or local governmental authority and it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children."

(b) Section 10 of such Act is further amended by inserting "(a)" after "Sec. 10.", and by adding at the end thereof the following new subsection:

"(b) Whenever the Commissioner determines that—

"(1) any school facilities with respect to which payments were made under section 7 of this Act, pursuant to an application approved under section 6 after the enactment of this subsection, are not being used by a local educational agency for the provision of free public education, and if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide such free public education, and

"(2) such facilities are needed in the provision of minimum facilities under subsection (a).

he shall notify such agencies of such determination and shall thereupon have authority to secure possession and use such facilities for the purposes of subsection (a) pursuant to an agreement between such agencies and the Commissioner which includes such terms and conditions as the Commissioner may determine to be necessary to carry out the provisions of this section."

#### TITLE VI

SEC. 601. That section 2004 of the Revised Statutes (42 U.S.C. 1971), as amended by

section 131 of the Civil Rights Act of 1957 (71 Stat. 637), is amended as follows:

(a) Add the following as subsection (e) and designate the present subsection (e) as subsection "(f)":

"In any proceeding instituted pursuant to subsection (c) in the event the court finds that any person has been deprived on account of race or color of any right or privilege secured by subsection (a), the court shall upon request of the Attorney General and after each party has been given notice and the opportunity to be heard make a finding whether such deprivation was or is pursuant to a pattern or practice. If the court finds such pattern or practice, any person of such race or color resident within the affected area shall, for one year and thereafter until the court subsequently finds that such pattern or practice has ceased, be entitled, upon his application therefor, to an order declaring him qualified to vote, upon proof that at any election or elections (1) he is qualified under State law to vote, and (2) he has since such finding by the court been (a) deprived of or denied under color of law the opportunity to register to vote or otherwise to qualify to vote, or (b) found not qualified to vote by any person acting under color of law. Such order shall be effective as to any election held within the longest period for which such applicant could have been registered or otherwise qualified under State law at which the applicant's qualifications would under State law entitle him to vote.

"Notwithstanding any inconsistent provision of State law or the action of any State officer or court, an applicant so declared qualified to vote shall be permitted to vote in any such election. The Attorney General shall cause to be transmitted certified copies of such order to the appropriate election officers. The refusal by any such officer with notice of such order to permit any person so declared qualified to vote to vote at an appropriate election shall constitute contempt of court.

"An application for an order pursuant to this subsection shall be heard within ten days, and the execution of any order disposing of such application shall not be stayed if the effect of such stay would be to delay the effectiveness of the order beyond the date of any election at which the applicant would otherwise be enabled to vote.

"The court may appoint one or more persons who are qualified voters in the judicial district, to be known as voting referees, to serve for such period as the court shall determine, to receive such applications and to take evidence and report to the court findings as to whether or not at any election or elections (1) any such applicant is qualified under State law to vote, and (2) he has since the finding by the court heretofore specified been (a) deprived of or denied under color of law the opportunity to register to vote or otherwise to qualify to vote, or (b) found not qualified to vote by any person acting under color of law. In a proceeding before a voting referee, the applicant shall be heard ex parte. His statement under oath shall be prima facie evidence as to his age, residence, and his prior efforts to register or otherwise qualify to vote. Where proof of literacy or an understanding of other subjects is required by valid provisions of State law, the answer of the applicant, if written, shall be included in such report to the court; if oral, it shall be taken down stenographically and a transcription included in such report to the court.

"Upon receipt of such report, the court shall cause the Attorney General to transmit a copy thereof to the State attorney general and to each party to such proceeding together with an order to show cause within ten days, or such shorter time as the court



may fix, why an order of the court should not be entered in accordance with such report. Upon the expiration of such period, such order shall be entered unless prior to that time there has been filed with the court and served upon all parties a statement of exceptions to such report. Exceptions as to matters of fact shall be considered only if supported by a duly verified copy of a public record or by affidavit of persons having personal knowledge of such facts or by statements or matters contained in such report; those relating to matters of law shall be supported by an appropriate memorandum of law. The issues of fact and law raised by such exceptions shall be determined by the court or, if the due and speedy administration of justice requires, they may be referred to the voting referee to determine in accordance with procedures prescribed by the court. A hearing as to an issue of fact shall be held only in the event that the proof in support of the exception disclose the existence of a genuine issue of material fact. The applicant's literacy and understanding of other subjects shall be determined solely on the basis of answers included in the report of the voting referee.

"The court, or at its direction the voting referee, shall issue to each applicant so declared qualified a certificate identifying the holder thereof as a person so qualified.

"Any voting referee appointed by the court pursuant to this subsection shall to the extent not inconsistent herewith have all the powers conferred upon a master by rule 53(c) of the Federal Rules of Civil Procedure. The compensation to be allowed to any persons appointed by the court pursuant to this subsection shall be fixed by the court and shall be payable by the United States.

"Applications pursuant to this subsection shall be determined expeditiously. In the case of any application filed twenty or more days prior to an election which is undetermined by the time of such election, the court shall issue an order authorizing the applicant to vote provisionally. In the case of an application filed within twenty days prior to an election, the court, in its discretion, may make such an order. In either case the order shall make appropriate provision for the impounding of the applicant's ballot pending determination of the application. The court may take any other action, and may authorize such referee or such other person as it may designate to take any other action, appropriate or necessary to carry out the provisions of this subsection and to enforce its decrees. This subsection shall in no way be construed as a limitation upon the existing powers of the court.

"When used in the subsection, the word 'vote' includes all action necessary to make a vote effective including, but not limited to, registration or other action required by State law prerequisite to voting, casting a ballot, and having such ballot counted and included in the appropriate totals of votes cast with respect to candidates for public office and propositions for which votes are received in an election; the words 'affected area' shall mean any subdivision of the State in which the laws of the State relating to voting are or have been to any extent administered by a person found in the proceeding to have violated subsection (a); and the words 'qualified under State law' shall mean qualified according to the laws, customs, or usages of the State, and shall not, in any event, imply qualifications more stringent than those used by the persons found in the proceeding to have violated subsection (a) in qualifying persons other than those of the race or color against which the pattern or practice of discrimination was found to exist."

(b) Add the following sentence at the end of subsection (c):

"Whenever, in a proceeding instituted under this subsection, any official of a State or subdivision thereof is alleged to have committed any act or practice constituting a deprivation of any right or privilege secured by subsection (a), the act or practice shall also be deemed that of the State and the State may be joined as a party defendant and, if, prior to the institution of such proceeding, such official has resigned or has been relieved of his office and no successor has assumed such office, the proceeding may be instituted against the State."

#### TITLE VII Separability

SEC. 701. If any provision of this Act is held invalid, the remainder of this Act shall not be affected thereby.

Mr. McCULLOCH (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy of the bill be dispensed with.

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

Mr. WILLIS. Mr. Speaker, reserving the right to object, may I ask up to what point the Clerk had read?

The SPEAKER. Page 2, line 20.

Mr. SMITH of Virginia. Mr. Speaker, further reserving the right to object, would the gentleman from Ohio amend his request to permit the reading of section 302 and then omit the balance of the reading?

Mr. McCULLOCH. Mr. Speaker, I would suggest the reading continue and at the proper time I shall again make my request.

The Clerk continued the reading of the bill.

Mr. CELLER (interrupting the reading). Mr. Speaker, I ask unanimous consent that the further reading of the engrossed copy be dispensed with.

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

There was no objection.

Mr. POFF. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. POFF. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POFF moves to recommit the bill to the Committee on the Judiciary with instructions to report the same forthwith back to the House with the following amendment: On page 1, line 11, and on page 2, line 1, after the words "Whoever corruptly, or by threats or force," strike out the words "or by any threatening letter or communication."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

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

Mr. COLMER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COLMER. Do I correctly understand that the motion to recommit con-

tains the provision for the so-called Whitener amendment to section 1 of the bill?

The SPEAKER. That would hardly be a parliamentary inquiry. The Clerk has just read the motion.

Mr. POFF. Mr. Speaker, I demand the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The question was taken, and there were—yeas 118, nays 304, answered "present" 1, not voting 8, as follows:

[Roll No. 34]

YEAS—118

Abbott	Fountain	Passman
Abernethy	Frazier	Patman
Alexander	Gary	Pilcher
Alford	Gathings	Poage
Alger	Grant	Poff
Andrews	Haley	Preston
Ashmore	Hardy	Rains
Bass, Tenn.	Harmon	Ray
Beckworth	Harris	Riley
Bennett, Fla.	Harrison	Rivers, S.C.
Bennett, Mich.	Hobert	Roberts
Berry	Hemphill	Rogers, Fla.
Boggs	Herlong	Rogers, Tex.
Bonner	Hoffman, Mich.	Rutherford
Bow	Huddleston	Scott
Boykin	Hull	Selden
Brooks, La.	Ikard	Sikes
Brooks, Tex.	Jennings	Smith, Kans.
Brown, Ga.	Jensen	Smith, Miss.
Broyhill	Johansen	Smith, Va.
Budge	Jonas	Spence
Burleson	Jones, Ala.	Steed
Casey	Jones, Mo.	Teague, Tex.
Chelf	Kilday	Thomas
Colmer	Kilgore	Thompson, La.
Cooley	Kitchin	Thompson, Tex.
Cramer	Landrum	Thornberry
Davis, Ga.	Lennon	Trimble
Davis, Tenn.	Loser	Tuck
Dorn, S.C.	McMillan	Utt
Dowdy	McSweeney	Vinson
Downing	Mahon	Whitener
Durham	Mason	Whitten
Elliott	Matthews	Williams
Everett	Mills	Willis
Evins	Mitchell	Winstead
Fascell	Morrison	Wright
Fisher	Murray	Young
Flynt	Norrell	
Forrester	Oliver	

NAYS—304

Adair	Burdick	Dorn, N.Y.
Addonizio	Burke, Ky.	Doyle
Albert	Burke, Mass.	Dulski
Allen	Byrne, Pa.	Dwyer
Andersen,	Byrnes, Wis.	Edmondson
Minn.	Cahill	Fallon
Anfuso	Canfield	Farbstein
Ashley	Cannon	Feighan
Aspinall	Carnahan	Fenton
Auchincloss	Chiperfield	Fino
Avery	Celler	Flood
Ayres	Chamberlain	Flynn
Bailey	Chenoweth	Fogarty
Baker	Church	Foley
Baldwin	Clark	Forand
Baring	Coad	Ford
Barr	Coffin	Frelinghuysen
Barrett	Cohelan	Friedel
Barry	Collier	Fulton
Bass, N.H.	Conte	Gallagher
Bates	Cook	Garmatz
Baumhart	Corbett	Gavin
Becker	Cunningham	George
Belcher	Curtin	Gialmo
Bentley	Curtis, Mass.	Gilbert
Betts	Curtis, Mo.	Glenn
Blatnik	Daddario	Goodell
Boland	Dague	Granahan
Bolling	Daniels	Gray
Bolton	Dawson	Green, Oreg.
Bosch	Delaney	Green, Pa.
Bowles	Dent	Griffin
Brademas	Denton	Griffiths
Bray	Derounian	Gross
Breeding	Derwinski	Gubser
Brewster	Devine	Hagen
Brock	Diggs	Halleck
Broomfield	Dingell	Halpern
Brown, Mo.	Dixon	Hargis
Brown, Ohio	Donohue	Hays
Buckley	Dooley	Healey

Hechler Magnuson Robison  
Henderson Mailliard Rodino  
Hess Marshall Rogers, Colo.  
Hiestand Martin Rogers, Mass.  
Hoeven May Rooney  
Hoffman, III. Meader Roosevelt  
Hogan Merrow Rostenkowski  
Holifield Metcalf Roush  
Holland Meyer St. George  
Holt Michel Santangelo  
Holtzman Miller, Clem Saund  
Horan Miller, Saylor  
Hosmer George P. Schenck  
Inouye Miller, N.Y. Scherer  
Irwin Milliken Schwengel  
Jarman Moeller Shelley  
Johnson, Calif. Monagan Sheppard  
Johnson, Colo. Montoya Shipley  
Johnson, Md. Moore Short  
Johnson, Wis. Moorhead Siler  
Judd Morgan Simpson  
Karsten Morris, N. Mex. Sisk  
Karth Morris, Okla. Slack  
Kasem Moss Smith, Calif.  
Kastenmeier Moulder Smith, Iowa  
Kearns Multer Springer  
Kee Mumma Staggers  
Keith Murphy Stratton  
Kelly Natcher Stubblefield  
Keogh Nelsen Sullivan  
Kilburn Nix Taber  
King, Calif. Norblad Taylor  
King, Utah O'Brien, III. Teague, Calif.  
Kluczynski O'Brien, N.Y. Teller  
Knox O'Hara, Ill. Thompson, N.J.  
Kowalski O'Hara, Mich. Thomson, Wyo.  
Kyl O'Konski Toll  
Lafore O'Neill Tollefson  
Laird Osmers Udall  
Lane Ostertag Ullman  
Langen Pelly Vanik  
Lankford Perkins Van Pelt  
Latta Pfost Van Zandt  
Lesinski Philbin Wainwright  
Levering Pillion Wallhauser  
Libonati Pirnie Walter  
Lindsay Porter Wampler  
Lipscomb Price Watts  
McCormack Prokop Weaver  
McCulloch Pucinski Weis  
McDonough Quile Westland  
McDowell Quigley Wharton  
McFall Rabaut Widnall  
McGinley Randall Wier  
McGovern Reece, Tenn. Wilson  
McIntire Rees, Kans. Withrow  
Macdonald Reuss Wolf  
Machrowicz Rhodes, Ariz. Yates  
Mack, Ill. Rhodes, Pa. Younger  
Mack, Wash. Riehlman Zablocki  
Madden Rivers, Alaska Zelenko

## ANSWERED "PRESENT"—1

Jackson

## NOT VOTING—8

Anderson, Barden Kirwan  
Mont. Blitch Minshall  
Arends Chipperfield Powell

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Barden for, with Mr. Kirwan against.  
Mr. Jackson for, with Mr. Chipperfield against.

Until further notice:

Mr. Powell with Mr. Minshall.  
Mr. Anderson of Montana with Mr. Arends.

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

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

Mr. JACKSON. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. CHIPPERFIELD]. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

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

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 311, nays 109, answered "present" 2, not voting 9, as follows:

[Roll No. 35]

## YEAS—311

Adair Feighan Mack, Ill.  
Addonizio Fenton Mack, Wash.  
Albert Fino Madden  
Allen Flood Magnuson  
Andersen, Flynn Mailliard  
Minn. Fogarty Marshall  
Anfuso Foley Martin  
Ashley Forand May  
Aspinall Ford Merrow  
Auchincloss Frelinghuysen Metcalf  
Avery Friedel Meyer  
Ayres Fulton Michel  
Bailey Gallagher Miller, Clem  
Baker Garmatz Miller  
Baldwin Gavin George, P.  
Baring George Miller, N.Y.  
Barry Glaimo Milliken  
Bates Gilbert Moeller  
Baumhart Glenn Monagan  
Becker Goodell Montoya  
Belcher Granahan Moore  
Bentley Green, Oreg. Moorhead  
Berry Green, Pa. Morgan  
Betts Griffin Morris, N. Mex.  
Blatnik Gross Moss  
Boland Hagen Moulder  
Bolling Halleck Mumma  
Bolton Halpern Murphy  
Bosch Hargis Natcher  
Bow Healey Nelsen  
Bowles Hechler Nix  
Brademas Henderson Norblad  
Bray Hess O'Brien, Ill.  
Breeding Hiestand O'Brien, N.Y.  
Brewster Hoeven O'Hara, Ill.  
Brock Hoffman, Ill. O'Konski  
Broomfield Hogan O'Neill  
Brown, Mo. Holifield Oliver  
Brown, Ohio Holland Osmers  
Buckley Holt Ostertag  
Burdick Holtzman Pelly  
Burke, Ky. Horan Perkins  
Burke, Mass. Hosmer Pfost  
Byrne, Pa. Hull Philbin  
Byrnes, Wis. Inouye Pillon  
Cahill Irwin Pirnie  
Canfield Jarman Porter  
Cannon Johnson, Calif. Price  
Carnahan Johnson, Colo. Prokop  
Cederberg Johnson, Md. Pucinski  
Celler Johnson, Wis. Quile  
Chamberlain Judd Quigley  
Chelf Karsten Rabaut  
Chenoweth Karth Randall  
Church Kasem Ray  
Clark Kastenmeier Reece, Tenn.  
Coad Kearns Rees, Kans.  
Coffin Kee Rhodes, Ariz.  
Cohelan Keith Rhodes, Pa.  
Collier Kelly Riehlman  
Conte Keogh Rivers, Alaska  
Cook Kilday Robison  
Corbett Kilgore Rodino  
Cunningham King, Calif. Rogers, Colo.  
Curtin King, Utah Rogers, Mass.  
Curtis, Mass. Kluczynski Rooney  
Curtis, Mo. Knox Roosevelt  
Daddario Rostenkowski Roush  
Dague St. George Roush  
Daniels Santangelo Roush  
Dawson Saund Roush  
Delaney Saylor Roush  
Dent Saylor Schenck  
Denton Schenck Scherer  
Derounian Scher Schwenkel  
Derwinski Shelley  
Devine Sheppard Shipley  
Diggs Short  
Dingell Siler  
Dixon Simpson  
Donohue Sisk  
Dooley Slack  
Dorn, N.Y. Smith, Calif.  
Doyle Smith, Iowa  
Dulski Springer  
Dwyer Staggers  
Edmondson Stead  
Fallon Stratton  
Farbstein  
Fascell

Stubblefield  
Sullivan  
Taylor  
Teague, Calif.  
Teller  
Thompson, N.J.  
Thomson, Wyo.  
Thornberry  
Toll  
Tollefson  
Udall  
Ullman

## NAYS—109

Abbt Frazier  
Abernethy Gary  
Alexander Gathings  
Alford Grant  
Alger Haley  
Andrews Hardy  
Ashmore Harmon  
Bass, Tenn. Harris  
Beckworth Harrison  
Bennett, Fla. Herbert  
Bennett, Mich. Hemphill  
Boggs Herlong  
Bonner Hoffman, Mich.  
Boykin Huddleston  
Brooks, La. Ikard  
Brooks, Tex. Jennings  
Brown, Ga. Jensen  
Broyhill Johansen  
Budge Jones, Ala.  
Burleson Jones, Mo.  
Casey Kitchen  
Colmer Landrum  
Cooley Lennon  
Cramer Davis, Ga.  
Davis, Tenn. Loser  
Dorn, S.C. McMillan  
Dowdy McSweeney  
Downing Mahon  
Durham Mason  
Elliott Matthews  
Everett Meader  
Evins Mills  
Fisher Mitchell  
Flynt Morris, Okla.  
Forrester Morrison  
Fountain Murray  
Norrell

## ANSWERED "PRESENT"—2

Jackson Kilburn

## NOT VOTING—9

Anderson, Blitch Minshall  
Mont. Chipperfield Powell  
Arends Griffiths  
Barden Kirwan

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Arends for, with Mr. Kilburn against.  
Mr. Chipperfield for, with Mr. Jackson against.

Mr. Kirwan for, with Mr. Barden against.

Mrs. Griffiths for, with Mrs. Blitch against.

Until further notice:

Mr. Powell with Mr. Minshall.

Mr. JACKSON. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. CHIPPERFIELD]. Had he been present he would have voted "yea." I voted "nay." I ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KILBURN. Mr. Speaker, on this vote I voted "nay." I have a live pair with the gentleman from Illinois [Mr. ARENDS]. Had he been present he would have voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

Mr. STRATTON. Mr. Speaker, I am happy to join today in voting for the passage of H.R. 8601, the so-called civil



rights bill. In my judgment passage of this legislation today represents a historic legislative milestone of which all Members of this House can be proud. Because of the parliamentary situation that exists, it is entirely likely that the bill we are passing here today will go onto the statute books in virtually this same form.

Basically this bill does only one thing, Mr. Speaker, and that is to guarantee the right to vote to all citizens of our country regardless of their race, creed, or color. For the first time Congress is about to put upon the books legislation to give real meaning to the 15th amendment to our Constitution. As the distinguished Attorney General of the United States said the other day, either we must take steps now to enforce this amendment and make it a reality or else we should repeal it. Certainly no one, I am sure, would suggest that we ought to repeal this basic and important freedom guaranteed by our Constitution. So we must see that it is made meaningful, and that is precisely what this legislation will do. And after all the shouting is over, I am sure that no Member would really want to stand up in this body and say that he wants to oppose legislation that would give people the right to vote regardless of their race, creed, or color.

Mr. Speaker, the legislation that we are passing today is, in my judgment, moderate legislation. It represents the very least which we in America can and should do and still hold up our heads in today's world as the great exponent of human personal freedom. Personally, I would have preferred to see legislation which went farther in guaranteeing the rights of American citizens in other fields than this bill goes. But at least the right to vote is basic in our system, and in insuring the right to vote we are, in a very real sense, also laying the groundwork for further advances in other directions toward an America in which all citizens will have equal opportunity to enjoy the blessings of happiness and freedom.

Mr. Speaker, we have heard a good deal in the many days in which the House has been debating this legislation about some of the dire effects that might occur if this legislation were adopted. Frankly, I do not believe anyone seriously thinks that any of these gruesome predictions are likely to develop. In fact, it is my hope that this legislation will accomplish its basic purpose primarily as a preventive rather than a cure. For with this legislation on the books I am sure we will have created an incentive on the part of local officials to make sure that there does not develop the kind of pattern of discrimination that would require invoking the measures provided by this law. Any official who might disapprove of the machinery we are setting up here can always forestall its application to his community simply by seeing to it that men and women are not discriminated against because of their race, creed, or color when it comes to voting.

May I say, finally, Mr. Speaker, that I want to commend all my colleagues, and especially those from the southern area of our country who have been so vigorously opposed to this legislation, for the fine, statesmanlike way in which they have conducted themselves during this debate. I also want to express my great admiration for the splendid job that has been done here by my colleague, the distinguished dean of the New York delegation, the gentleman from New York [Mr. CELLER], in steering this legislation through to completion, as well as for the outstanding job, during these many long and tiring hours, done by the gentleman from Ohio [Mr. McCULLOCH]. The legislation we have here today is truly a bipartisan bill and all of us, I believe, can take pride in having been a part of this bit of history in the making today.

Mr. MEADER. Mr. Speaker, I voted against the motion to recommit of the gentleman from Virginia [Mr. POFF] and I voted against the bill, H.R. 8601.

If the motion to recommit had been a straight motion to send the bill back to the Judiciary Committee for further study, I would have supported it. This technical measure relating to rules of Federal judicial procedure deserves the intensive study of the Judiciary Committee and the best legal talent the committee can assemble. Laws passed to enforce the 15th amendment, particularly the Civil Rights Act of 1957, must be made stronger and more effective. But this must not be accomplished at the expense of violating basic provisions of the U.S. Constitution. The Judiciary Committee could rereport the bill promptly so that it could be passed in this session of Congress.

The motion of the gentleman from Virginia [Mr. POFF], however, was merely an amendment to title I of H.R. 8601 to strike a phrase which has appeared in Federal criminal statutes for the last 60 years. I could not support it.

Mr. Speaker, I have always stood for equal treatment under the law and opposed discrimination. I voted for the Civil Rights Act of 1957, the first major legislation in 85 years to enforce the 15th amendment. Last year, as a member of the Judiciary Committee of the House and its Antitrust Subcommittee, I supported the administration's civil rights bill and after weeks of painstaking and meticulous consideration by the Judiciary Committee, I voted to report out H.R. 8601 and intended to stand with the committee in opposing weakening amendments and to vote for the bill on final passage.

I did oppose such amendments during consideration in committee on the 5-minute rule, including the Whitener amendment which was identical with the amendment contained in the motion to recommit. I also opposed the Budge and Johansen amendments which sought to limit the voting rights of Negroes to elections where candidates for Federal offices were on the ballot.

As a member of the Judiciary Committee I felt it was my responsibility to the House and to the country to study and

analyze as completely as I could the voting referee proposal advanced for the first time by the Justice Department January 26, 1960, less than 2 months ago. My study of that proposal during our abbreviated hearings—only two witnesses—and my discussion with colleagues on the Judiciary Committee, with staff lawyers and other lawyers and my own legal research, convinced me that the voting referee proposal was clearly unconstitutional, that it was a rash and revolutionary revision of the rules of Federal civil judicial procedure, that it sought to pervert the Federal judicial system by thrusting upon it ministerial, nonjudicial functions, that it violated the rules of fairplay guaranteed to litigants by the due process clause of the Constitution and that it invaded the powers vested by the U.S. Constitution in the people of the several States. This proposal threatened the equilibrium of the delicate system of checks and balances whereby our unique American Federal system has made possible the maximum liberty and individual self-determination known to any system of government in the history of mankind.

Mr. Speaker, I was not content merely to oppose this unconstitutional proposal advanced by the Attorney General. I sought in a constructive manner first to work out an alternative to strengthen and improve the Civil Rights Act of 1957 in the light of the 2½ years' experience in its enforcement and the litigation brought under it without violating the U.S. Constitution in the fashion I have described above. The majority of the House rejected that alternative.

I then offered individual amendments and supported those offered by others to remove many of the objectionable unconstitutional features of the voting referee proposal. Those efforts, likewise, failed to accomplish the main goal but did achieve the more limited objective of reshaping the voting referee proposal so that its final version was far less objectionable than its first. In that limited accomplishment I take some pride since I am sure that if my voice and the voices of others had not been raised in protest against the original, hastily drafted voting referee proposal, it would not have been perfected even to the point that it was.

Aside from the propaganda benefit it is an idle act for Congress to pass a law which cannot be upheld. I can think of nothing more harmful to the long-range objective of equal suffrage for all citizens than to adopt in an emotionally charged atmosphere a measure so harsh and so violative of basic constitutional provisions that it would be held a nullity.

Mr. Speaker, I did my best to shape H.R. 8601 and the belatedly added voting referee proposal into a law which would mean real, solid progress in the field of civil rights. I wanted to vote for it. But when the House grafted onto it a voting referee proposal which, in my judgment, contains serious, unconstitutional, and unwise provisions, I could not. Under my oath to support and defend the Constitution without any mental reservation or purpose of evasion, I

had no choice but to vote against the measure.

Mr. Speaker, for convenience I include at this point CONGRESSIONAL RECORD references to the amendments I offered and the remarks I made during the debate on H.R. 8601.

March 10, 1960, remarks on my bill, H.R. 11042, an alternative voting referee proposal, pages 5196 and 5221-5222.

March 14, 1960, my amendment to McCulloch substitute containing substance of H.R. 11042, page 5489.

March 15, 1960, remarks on my amendment to McCulloch substitute and remarks on Kastenmeier amendment, pages 5635-5641, 5655.

March 16, 1960, remarks on O'Hara amendment, pages 5755, 5762, 5779.

March 18, 1960, remarks on my amendment to make ex parte referee proceedings discretionary with the judge rather than mandatory, pages 6010-6011, 6014, 6016; remarks on Budget amendment, pages 6019-6020, 6024.

March 21, 1960, remarks on Johansen amendment, pages 6161-6162.

March 22, 1960, remarks on my amendment re alternate referee proposal, pages 6285-6286; remarks on my amendment re permissive ex parte proceedings, pages 6288-6295.

#### REPORTS FROM COMMITTEE ON APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight Friday, March 25, 1960, to file reports on general government matters appropriation bill for 1961, and the appropriation for health, education, and welfare.

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

There was no objection.

Mr. TABER reserved all points of order on the bills.

#### LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute for the purpose of inquiring of the majority leader as to the program for the balance of the week and for next week.

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

There was no objection.

Mr. McCORMACK. For the balance of this week there are several resolutions from the Committee on House Administration which will be acted upon right away.

Mr. HALLECK. May I inquire of the gentleman, I understood there were three to be called up.

Mr. McCORMACK. I understand there are several more, but I understood they were cleared with the gentleman.

Mr. HALLECK. I had better discuss that with the gentleman later.

Mr. McCORMACK. I announced that there would be three resolutions called

up today. I suggest that they wait until Tuesday next to call up any other resolutions.

Mr. HALLECK. I think that would be preferable.

Mr. McCORMACK. I do not like matters to be brought up unless the House has had notice that they are coming up.

Continuing with the program for next week:

Monday will be District Day, and there are seven bills on the District Calendar:

H.R. 10964, to amend the Life Insurance Act of 1934, as amended.

H.R. 10761, indigents, representation in courts.

H.R. 10000, refunds, inheritance taxes.

S. 1159, Alley Dwelling Authority, acquisition of property.

H.R. 10183, amend Fire and Casualty Act.

H.R. 10683, automobile sales, finance charges.

H.R. 10684, Adjusted premiums, Life Insurance Act.

General Government matters appropriation bill for 1961.

House Concurrent Resolution 582, disposal of rubber from stockpile.

S. 1795, Armed Forces promotion and retirement of certain officers.

If any of these other bills are not disposed of on Monday they will follow the appropriation bill for Tuesday.

Tuesday there will be the Labor, Health, Education and Welfare Departments appropriation bill for 1961. There are also several privileged matters to be brought up on Tuesday, out of the House Administration Committee.

I make the usual reservation that any further program will be announced later, and that conference reports may be called up at any time.

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

Mr. HALLECK. I yield.

Mr. BURLESON. Do I understand the majority leader to suggest that the resolutions for printing which he read be carried over until next week? There is also an election contest that it is intended to be called up today.

Mr. McCORMACK. I have given no indication of that to the House yet, but I understand that in the contested election case there is a unanimous report.

Mr. BURLESON. That is correct.

Mr. McCORMACK. I doubt if anyone would object to that.

Mr. BURLESON. I certainly think they would not.

Mr. McCORMACK. Then there are three resolutions to come up today from the Accounts Subcommittee, one to provide an additional \$15,000 for the Committee on Interior and Insular Affairs; a second one to provide an additional \$168,000 for the Committee on Education and Labor; and one to provide \$400,000 for the Committee on Government Operations.

Mr. HALLECK. Is it the gentleman's purpose to adjourn over the weekend?

Mr. McCORMACK. Yes. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday next week may be dispensed with.

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

There was no objection.

#### PERMISSION TO FILE REPORTS

Mr. BAILEY. Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. BARDEN], I ask unanimous consent that the Committee on Education and Labor have until midnight March 25 to file a report on the bill H.R. 10128, and that minority views may be included therewith.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Friday to file certain reports.

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

There was no objection.

#### POST OFFICE DEPARTMENT'S DISTRIBUTION GUIDE SYSTEM

Mr. GARY. 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 Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I have received a letter under date of March 21, 1960, from the Postmaster General. This letter provides an explanation of the Post Office Department's distribution guide system. I believe a copy of the letter has been received by every Member of Congress, or will be received, and I strongly recommend that each Member read it carefully and thoughtfully.

I am proud of those improvements in management and efficiency which have been brought about over the years by the continuing cooperation between the Postmaster General and our House Subcommittee on Appropriations for the Treasury and Post Office Department, which it is my privilege to chair. The dedication of the Postmaster General and his staff are well known to all of us. Indeed, the high quality of the great majority of employees in the postal service is an established tradition over many, many years under many administrations. I know the Postmaster General is right in stating, as he does in his letter of March 21, that "we are confident that



the overwhelming majority of post-office employees want to perform a fair day's work for a day's pay."

The distribution guide system deserves a fair trial and I am confident it will receive a fair trial from employees of the postal service. The Post Office Department is strongly on record in the hearings conducted by our subcommittee and again in the Postmaster General's letter of March 21, that the distribution guide system is eminently fair, that it is based on minimum standards, and that it has demonstrated very substantial savings in actual practice. Testimony received during the hearings disclosed that savings annually in one office would amount to \$1 million, and we are told that the system will be installed in the 292 largest post offices.

The reductions recommended by the Appropriations Committee and sustained by the House appear modest indeed when viewed in this perspective. We might have cut much more, in expectation of many duplications of the million-dollar saving reported from just one post office, but we have recognized from the very beginning that the full benefits of such a change could not be realized immediately. We have chosen a moderate course which permits the Post Office Department the necessary latitude and freedom to operate effectively and to proceed in an orderly manner with the installation of the distribution guide system and other aspects of the program to modernize the postal system. These things can be accomplished only in an atmosphere of fairness and willingness to bring about improvements, so I support the Postmaster General in his plea for objectivity in regard to the distribution guide system.

The letter follows:

OFFICE OF THE POSTMASTER GENERAL,  
Washington, D.C., March 21, 1960.

Hon. J. VAUGHAN GARY,  
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN GARY: Because many Members of Congress are receiving letters from representatives of post office clerks organizations in the larger post offices protesting the Department's distribution guides system, I believe it will be helpful both to you and to the Department to give you a complete explanation of what is involved in that program.

The distribution guides are minimum rates of performance in terms of number of pieces of mail processed per minute and per hour provided for the information and guidance of individual employees. The rates are applicable only to the time during which the employee is actually engaged in processing the mail.

The guides were first published in the Postal Bulletin of November 20, 1958. A copy of the Postal Bulletin notice is attached. The notice shows the rates of performance and clearly sets forth the Department's reasons for publishing these guides.

Apparently, because no system was provided whereby employees could be informed of their production, publication of the performance guides had little or no effect in most post offices throughout the country. However, at Brooklyn, N.Y., after several weeks of intensive study and conferences with officers of employees' local organizations, the postmaster instituted a system of recording individual employee performance

and notifying each employee every day of the production rate attained by him on the preceding day. This system, which was placed in operation early in March 1959, immediately resulted in a phenomenal increase in production in the Brooklyn post office. Within a very short time practically all of the 1,600 employees involved were performing at or above the guides rates on a sustained basis. Before the end of the year it was apparent that increased productivity in Brooklyn was resulting in a major reduction in operating costs.

It was in the light of this experience that the Department decided to implement the distribution guides system in the 292 largest post offices along the general lines developed at Brooklyn. Implementation began early in January 1960. The system is now in operation in 103 post offices and will be implemented in the remaining 189 post offices having annual receipts of approximately \$1 million or more well before the end of the current fiscal year.

The guides rates are based upon actual performance in 43 of our largest post offices over a period of 1 year as reported under the work performance standards system which has been in effect since 1953. The guides do not purport to represent optimum performance but rather the minimum amount of work an employee should accomplish during the time he is actually engaged in performing the respective mail handling functions.

The guides system recognizes that employees do not spend full time on these particular mail handling operations. Among other duties, a certain amount of time is needed by the employee to obtain the mail for distribution and to dispose of the mail which he has distributed. It is also necessary that the employee absent himself from his post of duty from time to time for personal reasons. The employee is not expected to itemize the reasons for lapses in actual distribution but he is required to record the period of such lapses under the general heading of "Non Distribution Time."

We in the Department have been well aware from the beginning that if the guides program was to have a beneficial effect the rates of performance had to be entirely fair and reasonable. Before the guides were published, they were reviewed by a number of people who had long years of mail handling experience, including national officers of employee organizations. None of those who reviewed the guides expressed any opinion other than that they were eminently fair and reasonable, and some expressed the opinion that they were too low.

The employees' representatives generally have not protested that the rates as published are too high. Rather, they have contended that as soon as substantial numbers of employees begin to exceed these rates they undoubtedly will be raised by the Department. I assure you that we have no such plans.

The question has been raised as to whether there is any real need for the distribution guides program in the postal service. As you may know, our estimated expenditure for clerk hire during the current fiscal year exceeds \$1.3 billion. This represents more than one-third of our total Post Office Department budget. The major portion of this clerk hire is devoted to mail handling operations covered by the distribution guides system. Prior to the institution of this system, none of these employees had been told what rate of individual performance they were expected to achieve. While some people object to any performance indicators, we believe the great majority of our employees like to know what is expected of them and are proud of their performance records.

We are confident that the overwhelming majority of post office employees want to perform a fair day's work for a day's pay. The distribution guides system merely defines in easily understood terms what the Department considers to be acceptable performance. Over the years, many thousands of our employees have consistently exceeded the guides rates in their daily performance. Despite the reasonableness of the rates, however, in every post office where the system has been installed, a material increase in production has immediately been apparent.

Also, the very nature of the postal service requires that employees work constantly against time. If we are to provide adequate mail service, every employee engaged in processing the mail needs to have a sense of urgency about the performance of his job. The time available for processing outgoing mail is always very limited if we are to connect dispatches of value and the same is true with respect to incoming mails being processed in time to connect with carrier delivery schedules. Reports from the field show conclusively that under the distribution guides system the mail service is being materially improved.

Every effort has been made at all levels of management of the postal service to allay any apprehensions which the employees might feel relative to the installation of the distribution guides system.

Conferences were held in the Department with national officers of the employees organizations before original publication of the distribution guides. Similar conferences were held in advance of implementing the distribution guides system. In every post office where the system is installed, extensive preinstallation conferences are held by regional and departmental officials with the postmaster, supervisors, and employees.

Most careful consideration has been given to every employee complaint against the distribution guides system which has reached the Department.

Following are statements of complaints most frequently voiced, followed by the Department's comment with respect to each:

1. The distribution guides system is a speedup system which is injurious to the physical and mental health of the employees.

We expect accelerated performance only to the extent necessary to produce a reasonable minimum amount of work. Performance rates reflected in the guides are being and, over the years, have been met and exceeded by thousands of employees without harmful effects.

2. The system is especially burdensome on the aged and physically handicapped employees, including disabled veterans.

We are confident that the performance rates prescribed by the guides are readily attainable by all employees. However, postmasters and supervisors are instructed to see to it that under no circumstances are they to permit the system to operate to the detriment of any employee who performs his duties in a conscientious manner.

3. Although the existing guides are reasonable, the Department is sure to increase the requirements to the point where they will become intolerable.

There is no intention of increasing performance rates currently required by the guides. For years letter carriers, rural carriers, and custodial employees have operated under definite individual performance criteria. These criteria have not been raised even though they are universally met. There is absolutely no basis for the contention of the clerks in this regard.

4. The distribution guides system was designed to provide the Department with a basis for taking punitive action against its employees.

Nothing could be further from the truth. The contention is ridiculous and is at complete variance with the record of this Department's treatment of its employees. No disciplinary action has been taken and not a single specific employee grievance has arisen as a result of this program. On the other hand, the Department never has and will not in the future countenance improper conduct or deliberate malingering on the part of any employee.

5. The system of determining the number of pieces processed by an individual through linear measurement is unfair because the number of pieces in a linear foot of mail varies according to mix.

Standard rates of conversion of linear measurements of mail to pieces have been arrived at after exhaustive tests. The variation in number of pieces in the regular mix of mail is inconsequential. Whenever there are unusual mailings involved such as Treasury checks, utility bills, postcards, and the like, provision is made in the guides system for special conversion rates to be applied.

6. The strain on the individual caused by having to meet the guides will cause good employees to leave the service, thus resulting in costly turnover.

There has been no evidence whatever that employees have suffered any ill effects from this program. At Brooklyn, N.Y., where the system has been operating longest, the rate of employee turnover has averaged lower under the guides program than during a comparable period prior to its installation.

7. The system is costly in terms of the manpower required to keep performance records.

Actually, the manpower required to maintain records of performance under the guides program is much less than is required for other work performance systems. We are now developing an integrated system of mail volume and manpower reporting based on the distribution guides system which will result in a net reduction in the number of people who were engaged in such record-keeping before the guides system was installed.

I trust that this letter will serve to provide you with a full explanation of the Department's distribution guides program. I shall be very glad to see that you are supplied with any additional information which you may desire.

Sincerely yours,

ARTHUR E. SUMMERFIELD,  
Postmaster General.

[First- and second-class post offices, AMF's and terminals]

#### GUIDES FOR EMPLOYEES PERFORMING BASIC MAIL HANDLING DUTIES

The chart below lists certain distribution rates to be used by clerks as guides in evaluating their own production and by postmasters and supervisors in evaluating the production effectiveness of individual employees engaged in these basic mail handling operations. It was prepared in response to numerous requests from the field service for a distribution rate guide.

These guides are not to be considered as substitutes for the work performance standards system which has been installed to evaluate the overall effectiveness of groups of employees performing work in units or work centers. In installations having the revised WPS system those distribution rates shall be posted for the information and guidance of the supervisors and employees concerned.

While it is realized that there are variables in similar operations which affect the rates of production from office to office, the guides listed below are productivity rates which are being equaled or exceeded regularly by thousands of employees. These guides do not represent ideal productivity rates but the minimum an average employee should produce without difficulty.

Any clerk who finds that he is not maintaining a satisfactory production rate should carefully examine his methods and procedures and make whatever adjustments are necessary to increase his productivity to an acceptable level.

If after reasonable guidance and counseling an employee demonstrates inability to process his work at a satisfactory rate, the postmaster or terminal manager should give consideration to reassigning the employee to duties which he can perform in an acceptable manner. In reviewing the output of an employee, supervisors must consider not only the rate of production but also the constancy and accuracy of the employee's work. It is important that this be done over a sufficient period so that variations in mail mix, etc., will not lead to unfair conclusions.

(See pt. 715 of Postal Manual.)

Mail-handling operations	Number of pieces of mail	
	Per minute	Per hour
Facing table:		
With bridge	50	3,000
Without bridge	55	3,300
Outgoing distribution:		
Letter primary	39	2,340
Letter secondary	38	2,280
Flats primary	30	1,800
Flats secondary	26	1,560
Parcel post primary	15	900
Parcel post secondary	9	540
Incoming distribution:		
Letter primary:		
3,000 or less scheme items	30	1,800
Over 3,000 scheme items	28	1,680
Letter secondary	26	1,560
Flat primary:		
3,000 or less scheme items	21	1,260
Over 3,000 scheme items	20	1,200
Flat secondary	20	1,200
Parcel post primary	13	780
Parcel post secondary	9	540

#### ELECTION OF MEMBER TO COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. MILLS. Mr. Speaker, I send to the Clerk's desk a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 484) as follows:

*Resolved*, That CHARLES A. VANIK, of Ohio, be, and he is hereby, elected a member of the standing committee of the House of Representatives on the District of Columbia.

The resolution was agreed to.

#### PROMOTION AND INVOLUNTARY RETIREMENT OF OFFICERS OF THE REGULAR COMPONENTS OF THE ARMED FORCES

Mr. BOLLING (on behalf of Mr. THORNBERRY), from the Committee on Rules, reported the following privileged resolution (H. Res. 485, Rept. No. 1417), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1795) to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee

on Armed Services, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Armed Services now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or Committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

#### STRATEGIC AND CRITICAL MATERIALS STOCKPILING ACT

Mr. BOLLING (on behalf of Mr. DELANEY), from the Committee on Rules, reported the following resolution (H. Res. 486, Rept. No. 1418), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 582) providing under section 3(e) of the Strategic and Critical Materials Stockpiling Act, the express approval of the Congress for the disposal from the national stockpile of approximately four hundred and seventy thousand long tons of natural rubber. After general debate, which shall be confined to the resolution, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

#### EMPLOYMENT OF RETIRED COMMISSIONED OFFICERS BY CONTRACTORS OF THE DEPARTMENT OF DEFENSE AND THE ARMED FORCES

Mr. BOLLING (on behalf of Mr. MADSEN), from the Committee on Rules, reported the following privileged resolution (H. Res. 487, Rept. No. 1419), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10959) relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration



of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### ESTABLISHMENT OF THE CHESAPEAKE AND OHIO CANAL NATIONAL HISTORICAL PARK

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 488, Rept. No. 1420), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2331) to establish the Chesapeake and Ohio Canal National Historical Park and to provide for the administration and maintenance of a parkway, in the State of Maryland, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### SOUTHEASTERN POWER ADMINISTRATION

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, the Southeastern Power Administration, with headquarters in my hometown of Elberton, Ga., celebrated its 10th anniversary on March 21.

The agency has marketed 22 billion kilowatt-hours and received total revenues of \$102,860,000 during the past 10 years as shown by a statement of Secretary of the Interior Fred A. Seaton.

Southeastern Power Administration sells electric power generated at 11 Corps of Engineer projects to 134 utility customers, most of whom are rural electric cooperatives and cities which by law are given preference in the sale of Federal power.

The 11 operating projects have an installed capacity of 1¼ million kilowatts. In addition, the Corps of Engineers is currently constructing three multipurpose water projects whose aggregate capacity will be 590,000 kilowatts.

The agency does not own any transmission lines but contracts for transmission of federally produced power with owners of existing transmission lines.

The operating projects, and those under construction by the Corps of Engi-

neers, are located in Virginia, Georgia, South Carolina, Florida, Alabama, Tennessee, and Kentucky.

#### PROTECTING THE AMERICAN FAMILY FARM AND FARMWORKER

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

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

There was no objection.

Mr. McGOVERN. Mr. Speaker, as the sponsor of H.R. 11211, a bill designed to protect the American farmworker and the family farmer against unfair competition from imported Mexican labor, I offered testimony this morning before the House Subcommittee on Agriculture which has jurisdiction over this legislation. Under unanimous consent I include the text of my testimony at this point in the RECORD:

#### PROTECTING THE AMERICAN FAMILY FARM AND FARMWORKER

(Statement of Congressman GEORGE McGOVERN (South Dakota) before the Subcommittee on Equipment, Supplies, and Manpower; Committee on Agriculture, March 24, 1960)

On March 17, 1960, I introduced H.R. 11211 to amend title V of the Agricultural Act of 1949—more commonly known as Public Law 78. This statute governs the recruitment of temporary farmworkers from Mexico for employment in the United States.

As passed by Congress in 1951, Public Law 78 was designed to provide temporary workers for agricultural activities deemed necessary for the national welfare while protecting the interests of American farmworkers. In my estimation, however, it has now been transformed into a means of special advantage for a small number of large farm operators concentrated in a few States. It is my conviction that it works strongly to the disadvantage of the great bulk of family farmers in those States and in other regions of the Nation whose products compete on the national market with those grown on farms using Mexican labor. The law also works to the disadvantage of more than 2¼ million American farm laborers whose earnings and conditions of employment are depressed because of the ready availability of low-cost labor from across the border.

The bill which I have introduced will have as its purpose the elimination of these injustices by providing safeguards against the undercutting of wage and employment standards by Mexican labor and by scheduling the phasing out of the entire foreign worker program.

During the years that Public Law 78 has been on the books, the total income of farm operators in the United States has been declining steadily. Net farm income has fallen from \$16.6 billion in 1951 to \$11.8 billion in 1959 according to the President's Council of Economic Advisers. During the same time, however, total output has set new records. Farmers have tried to adjust to this situation in various ways.

Small part-time farm operators have increasingly turned to nonagricultural employment to supplement earnings from farming. But the economic position of some 2.7 million family-sized commercial farms has become increasingly more difficult. These farms rely mainly on their own family labor.

The income of farmers stems from two sources: return for capital and return for the farmer's own labor. On medium and

small farms, with limited capital, the second form of income is more important than the first. If large-scale farmers in one section of the country can flood the market with goods produced with low-cost labor, the price structure for all farmers is forced downward. Thus the return of the medium and small farmer for his labor—for the products grown with his labor—is related to wages paid on large farms. If, for example, farmers in one very large fertile border area can produce vegetables at wages of 50 cents an hour, or even less, as they apparently have done by use of Mexican labor, it creates a difficult if not impossible competitive situation for farmers in other areas producing similar vegetables with family labor.

Take the case of tomatoes for processing. One State produces around 60 percent of the total national production. Foreign workers at peak comprise 85 percent of the tomato harvest force in this State. Now does the production made possible by these braceros have any effect on family farms? On the prices such farm would receive for growing tomatoes? Perhaps the answer is self-evident. In any event, 1959 tomato production in the bracero-dependent States was more than 40 percent above the 1949-55 average, while production of tomatoes has been declining in other major tomato-growing States.

Recently farmers in California have expanded production of strawberries with bracero labor. These farmers enjoy a competitive advantage over farmers in a number of other States who produce commercial strawberries with American farm labor and with their own families. Who will deny that the large added production made possible by the Mexican program has had an effect on strawberry prices that is detrimental to the U.S. farm families growing commercial strawberries?

Each bracero who works as a ranchhand at wages and living conditions unacceptable to most Americans, is in direct competition with—and lowers the prices received by—the ranchers in my own State and other parts of the Nation.

These examples can be multiplied many times. Increases in production in agriculture—including increases resulting from the availability of low-cost foreign labor—are of added concern since the demand for agricultural products is inelastic. A small increase in supply tends to drive prices down disproportionately, adversely affecting incomes of all producers. The ready availability of Mexican labor for a number of crops has, therefore, contributed to the depressing effect on farm prices and incomes.

The depression of family farm incomes attributable directly to the Mexican program is clearly traceable in the crops where precise hand labor and the vigilance and intelligence of human beings continue to be important. Various fruits and vegetables are among the best examples of such crops.

If Mexican workers were not available, a better balance between supply and demand would be achieved resulting in higher returns for many farmers—reduced government costs for price support operations, especially for cotton, should also result.

One key factor which has helped to preserve the family farm in this country has been the advantage represented by its built-in supply of manpower. In the U.S. economy this has often been the difference between survival or disappearance. Historians have told us that repeated efforts to accumulate and operate large plantation-type enterprise in the fertile Midwest came to naught mainly for this reason. The farm family's labor supply advantage was the basic reason for the prevalence of family-size units there today. Should we now permit continuation of a foreign labor program to nullify this key survival factor for the family farm?

While the operation of Public Law 78 has served to weaken the economic position of the family farmer through indirect means, it has very directly depressed the wages and employment opportunities of American farmworkers. There has been some public debate recently as to whether and in what manner the foreign worker program adversely affects American farmworkers. To my mind it is self-evident. The presence of even a small number of foreign workers in the farm labor market would inevitably have some effect on job opportunities and wage levels. In the last several years we have been bringing Mexican workers into the United States in such large numbers that for every five American farmworkers there is now one foreign worker. Imagine the impact it would have on the standards and wages of American labor if we permitted a like penetration of foreign workers in manufacturing, trade, and other industries.

The 2,300,000 farmworkers are the group least able to withstand this competition. No American workers are so poverty stricken and have such abysmally low living standards as do farmworkers in large sections of the Nation. The Department of Agriculture reported that their annual earnings averaged only \$892 for 125 days of farmwork in 1958; with nonfarmwork, they averaged only \$961. It is inconceivable that a Nation which has the technical know-how to put a satellite in orbit around the sun should lack the skill to deal with this distressing economic problem.

Recently the Secretary of Labor appointed four prominent consultants to review the administration of Public Law 78. These men were Edward J. Thyne, former U.S. Senator from Minnesota; the Very Reverend Msgr. George G. Higgins, director of the social action department of the National Catholic Welfare Conference, Washington, D.C.; Glenn E. Garrett, executive director of the Good Neighbor Commission, Austin, Tex.; and Dr. Rufus B. von Kleinsmid, chancellor of the University of Southern California.

In passing, the only one of these consultants from my general region, former Senator Thyne, Republican, of Minnesota, is not only an esteemed and respected public servant, he was also a leading member of the Senate subcommittee which studied and reported Public Law 78. He was intimately acquainted with its objectives and with its difficulties. He was initiator and supporter of the Mexican labor program. For these reasons, I have particular confidence in the unanimous conclusions of this group of whom Senator Thyne was one.

The consultants studied the program for 7 months. They visited a number of States observing its operation and discussing it with farmers, government officials, and worker representatives. Their report reveals shocking evidence that, in spite of the best efforts of the Department of Labor to administer the law fairly in the interests of employers and workers, the program has indeed adversely affected American farm labor.

They reported that farmers in some areas were using Mexican workers almost exclusively for certain crops and activities. It was certainly never the intention of Congress that a group of producers should be permitted to withdraw from the domestic labor market. If workers are in short supply, growers in other crops must make appropriate adjustments in their productive practices or in wage offers. When the foreign worker program becomes, as it has, a means of depriving American workers of the opportunity of improving their economic position, the program has become intolerable.

The report also shows that wage rates in areas where Mexican workers are employed have failed to rise at a rate that would have been expected considering the advance of wages in other crops and areas, and that

producers who use foreign labor often do not pay their American workers as much as other producers in the same areas. Earnings in some instances have been found to be lower than the 50 cents an hour which Mexico has set as a minimum standard. These facts are incontrovertible. In sum, the consultant's report indicates to me that the Secretary of Labor has been given the impossible task of administering a law with conflicting objectives.

The bill which I have introduced is designed to clarify these objectives, to give the Secretary of Labor additional authority to administer it, and to assure that the conditions of special privilege for a small number of farmers, unfair to the great bulk of farmers, shall not be permitted to continue.

First, H.R. 11211 would clarify the preamble to the law by stipulating that it is to be administered in the interests of the farmworker. I have specifically and intentionally struck out that clause of Public Law 78 making the Secretary of Agriculture responsible for declaring what commodities are to be considered necessary. Since the Secretary of Agriculture has never seen fit to designate any farm product as unnecessary within the meaning of this section, the provision has been meaningless. Under this bill, the Secretary of Labor will have sole authority to determine whether and to what extent the domestic labor supply is to be augmented.

A second important change is to clearly stipulate that the law is to be used solely to provide temporary workers for unskilled activities. Under the present law it is possible for Mexican workers to be used as skilled operators of tractors and other agricultural equipment. Thousands are employed as ranch hands and in other specialties requiring considerable experience. I am told that some 20,000 are employed as regular year-round workers with contracts renewed every 6 months. This represents 20,000 jobs which should be filled by underemployed American workers. Whatever may be the argument for foreign labor supplements at the peak season, I cannot admit a mass labor shortage in year-round farm jobs that is not more properly remedied by improved wages and conditions of employment.

The present law requires that employers, as a condition for obtaining workers from Mexico, must make reasonable efforts to attract American workers. H.R. 11211 strengthens this provision by requiring that employers participate in direct recruitment efforts, and would authorize the Secretary of Labor to assign quotas on the use of foreign labor when necessary to assure active competition for U.S. labor. This is to prevent situations where farm employers, and even entire communities, make only token efforts to obtain and retain American workers while depending on braceros for all labor needs.

H.R. 11211 improves and strengthens the law by assigning to the Secretary of Labor clear authority to define adverse effect situations based on wage and employment data. The consultants found that many of the administrative difficulties that have been experienced stem directly from lack of clarity on this point.

Perhaps the most important new feature of this bill is the provision for terminating the law over a period of years. I have had numerous questions as to why this feature should be added to the bill in preference to the usual 2-year extension. I would like to explain.

It is important to view this law from a historic perspective. As this country grew in strength and expanded from coast to coast, there have often been periods when labor was short for industry and agriculture. Such shortages have traditionally been met by new immigrants settling here and enjoying full rights as citizens. This source of new labor remains open to U.S. farmers, without quota limitations under the general

immigration act. The practice of using foreign contract labor when it is to our advantage, sending it home when it is no longer needed or desired, denying it the freedom of job choice while here, is alien to our tradition and not in the best interests of the farmers and agricultural workers of the United States.

The less than 2 percent of our farmers who rely on this labor must be brought to recognize that this law was never intended to be permanent. The intention and philosophy behind it was to provide a temporary stop-gap while normal adjustments of production, wages, labor supply, and technology are effectuated. The American people will not tolerate a permanent system of foreign contract labor in agriculture any more than they would in the steel, coal, mining, automobile, transportation, or any other industry.

Recruitment of workers from Mexico began as an emergency measure during World War II. The fact that this program has mushroomed from some 60,000 then to 450,000 now and has become a serious threat to the institution of the family farm and to the agricultural labor force should give pause to those who wish to extend it indefinitely.

My conviction is this: The interest of the family farm is served by elimination of the program much more than by improvement of the protection for domestic workers. Thus, a definite terminal date should be established. Yet, complete termination on June 30, 1961, might be inequitable for those growers who, mistakenly, have permitted themselves to become dependent on Mexican workers; some phasing-out time, time for adjustment, is therefore the way of moderation. H.R. 11211 establishes this period at 5 years. In my view, however, the precise duration and nature of the phasing-out period is of much less concern than that there be at long last a clear-cut agreement on final termination at a specified time in the future.

The American people are becoming aroused over this system which is so alien to our traditions. This was expressed in a recent resolution of the general board of the National Council of Churches of Christ in the U.S.A., which read:

"The present practice of our Government in authorizing the importation of Mexican nationals for agricultural labor in the United States involves human and ethical issues of grave concern to the conscience of Christian people."

It is the sense of H.R. 11211 that the use of foreign contract labor should not be permitted to become a substitute for a constructive program to provide decent standards of wages and working conditions for American farm labor and to protect the institutions of the family farm.

HON. FRANCIS E. WALTER

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. FLOOD. Mr. Speaker, the prolonged standing ovation given by the House to our colleague "Tad" WALTER yesterday at the conclusion of his untiring presiding over our debates on the civil rights bill was certainly a most deserving tribute.

The hearts of Pennsylvanians were, indeed, warmed when we witnessed this



spontaneous and deserving appreciation of the sterling performance of our fellow Pennsylvanian, who has displayed not only his usual fairness and parliamentary skill, but permitted us to witness once more his alertness and his courage in meeting the long series of most difficult problems that face a presiding officer of this body. The pride and love with which we look upon "Tad" WALTER have been once more augmented by the unanimous manifestation of the House.

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

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

Mr. WILLIS. Mr. Speaker, I certainly want to associate myself with the remarks of my friend, the gentleman from Pennsylvania [Mr. FLOOD]. The patience and the consideration to all Members and the skill of the gentleman from Pennsylvania [Mr. WALTER], who presided over the Committee of the Whole, as a parliamentarian, as well as all of his actions are something to be commended. I think he, above anyone else, deserves credit for keeping the debates and the procedure of the Committee on an even keel.

Mr. FLOOD. I thank the gentleman, and the Pennsylvania delegation thanks him also.

#### STUART SYMINGTON

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

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

There was no objection.

Mr. MOULDER. Mr. Speaker, our great country and the entire world needs a great President of the United States of America, and Senator STUART SYMINGTON has announced his candidacy for this high office.

Mr. Speaker, this great man has the ability, integrity, and strong sense of duty to give and provide the effective executive leadership the American people need and deserve to have in the White House. We are justly proud of this great American, Senator STUART SYMINGTON, of Missouri, and his announcement, which I will read into the RECORD, as follows:

STATEMENT BY SENATOR STUART SYMINGTON  
I wish to announce that I am a candidate for President of the United States.

Our generation has a priceless opportunity to lead mankind to a new era of lasting peace and unparalleled progress.

If our children and our grandchildren are to continue to enjoy the American way of life, the next President of the United States must provide the free world with resourceful and decisive leadership.

Only a first-rate, first-class, first-place America can reinforce the world's faith in freedom, and secure a just and lasting peace.

This great Nation has the capacity to be a still greater nation, provided we make the most of our freedom and unleash the full strength of our free enterprise system for the benefit of all.

In the months ahead I intend to emphasize four major policies:

(1) A positive program for peace through negotiation from a position of relative

strength, including a world-wide "Good Trader—Good Neighbor" policy.

This program would involve a better foreign service, a more realistic economic development both at home and abroad, and an effective campaign to tell the truth about America.

(2) A sound public investment program in such fields as education, health, slum clearance, highways, water control, and more realistic benefits for the elderly and disabled.

(3) A sound program to reverse the present trend toward the elimination of the family size farmer, and help him attain a standard of living comparable to other Americans.

(4) Policies and programs which would guarantee to every citizen equal rights and equal opportunity.

Much of the cost of these programs can be defrayed out of savings achieved through the elimination of current waste in the management of Government agencies.

At appropriate times I will spell out these proposals in detail.

I have spent most of my life in the field of management—in industry and in the executive branch of Government; and have now had 7 years' experience in the U.S. Senate.

I offer this background and experience as my qualifications for the Presidency.

I am in this campaign to win; and my No. 1 goal is to unite this great country.

I appeal to my fellow Americans for unity—the challenge that confronts us is far more important than the differences that divide us.

I appeal to my fellow Democrats for unity—united we can win this vitally important election.

Let us all work together to make the 1960's a decade of unprecedented progress, with equal opportunity for all.

#### GENEVA CONFERENCE ON DISCONTINUANCE OF NUCLEAR WEAPONS TESTING

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, for over 16 months the British and United States representatives have reasoned and argued patiently with Soviet representatives at the Geneva conference on the discontinuance of nuclear weapons testing.

From the very beginning the Soviets have made clear their position and from this they have never budged:

First. They have insisted on a total and immediate ban on all testing.

Second. They have treated the inspection system as being something that can be worked out at leisure.

Third. They have tried to brush away the technical limitations of inspection.

Fourth. They would have us buy the test ban and worry about details of inspection afterward.

On March 19 the Soviets publicized and put forth what they claim as a new proposal. They have ballyhooed this as a great concession and one capable of breaking the deadlock. Yet it is obvious from a brief study of their proposition it represents no concession. It is one more attempt to force us into a total ban no matter the technical capability

of detection, nor the degree of inspection they will allow in their country.

As you will remember the United States has for many months attempted to reach agreement on a treaty which was as broad as possible, subject only to the condition that all its aspects must be capable of adequate monitoring.

We have established that tests in the atmosphere can be inspected and identified by technical means, as can those at altitude and with certain limitations.

We have established too, however, that the problem of monitoring underground tests, at least those giving a small signal, is much more difficult, if not impossible.

In recognition of these facts the President on April 13, 1959, proposed adoption of an atmospheric-only ban with joint research to improve detection systems. Khrushchev dismissed this proposal out of hand.

After further study and joint technical conferences on seismic detectability, the United States proposed on February 11, 1960, its threshold plan. Under this proposal tests in the atmosphere, in the ocean, and in space up to heights where effective controls can now be agreed, would be forbidden. More importantly those underground and which gave a seismic signal of magnitude greater than a certain value would be forbidden. Those of less than that value, because of the limitations of detection and inspection, would not be forbidden initially by the treaty. Joint research would be undertaken to determine the possibility of lowering the threshold as seismic detectability improved.

The Soviets have responded by claiming to accept the threshold principle and even the threshold value we propose. Yet they have conditioned this acceptance with limitations which make it meaningless. They accept only if there is a simultaneous treaty agreement to forego for several years those tests of less than the threshold value. Along with this they continue to indicate they will accept only the most limited and inadequate onsite inspection for investigation of suspicious events. In essence they continue to insist on a total ban and inadequate inspection.

I was convinced on my trips to Geneva to observe the conference that the Soviets were interested in a ban but only if no real penetration of their country was involved. I was convinced also, that as long as we continue our moratorium while discussions proceed, they are achieving in major part their objective.

We are now entering into a new era in disarmament negotiations, one in which the 10-power disarmament conference is considering many possible areas of agreement. The recent conduct of the Soviets in the test cessation conference has been far from reassuring in regard to real progress in these new areas. It would be tragic in my opinion for us to agree to a test moratorium treaty with the type of arrangements the Soviets visualize. To do so it would involve limitations in this area which were inadequately controlled. Moreover, it would furnish precedent for similar agreements on trust in other, perhaps even more critical areas.

## AGRICULTURAL IMPORTS

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. THOMSON of Wyoming. Mr. Speaker, the U.S. Tariff Commission is presently conducting hearings on limiting the imports of lamb and mutton. On the first day of the hearings, last Tuesday, March 22, 1960, I appeared before the Commission.

I wish to call my remarks to the attention of the House. I believe a reasonable trade policy offers a realistic solution to our agricultural problem on a sound economic basis. This is needed and would correct similar conditions in other industries now and would prevent such situations developing and getting out of hand in the future.

I and others have introduced general legislation which would accomplish this. I again urge that it be favorably considered.

My remarks to the Tariff Commission were as follows:

Mr. Chairman and members of the Commission, it is quite fitting that I should follow the representative of Senator JOHNSON. Wyoming is second only to Texas in production of sheep and wool. It is extremely important to our area, but it is also important to the Nation as a whole.

May I, at the outset, express my thanks and, I am sure, the thanks of almost all of the people of the State of Wyoming, which it is my privilege to represent in Congress, to the Tariff Commission for having instituted, after application, this investigation under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended, on its own motion to determine whether lamb and mutton or sheep and lambs are being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like, or directly competitive, products.

Outstanding representatives from the producing and feeding industries are here to present you with the detailed facts and circumstances which I am sure will fully justify your finding that such is the case and recommending appropriate action under the same section 7. I would like to cover this in a general fashion.

May I first of all suggest to the Commission that there can be no doubt that anything which would even tend to weaken the overall sheep-producing industry would do serious injury. Congress has many times, particularly since World War II, recognized the perilous conditions in the industry. The last two of these were in the passing of the National Wool Act of 1954 and its extension in the Agricultural Act of 1958. That had to do with wool, but wool, of course, comes only from sheep. The market for wool and the production of wool is inextricably tied to the market for and the production of lamb and mutton.

By declaration in the law, both the Congress and the Executive have declared that the annual domestic production of approximately 300 million pounds of shorn wool, grease basis, is indicated in the interest of the national security and the promotion of the general economic welfare of the country. This goal has never been achieved.

Under the National Wool Act, incentive payments are made to the producers from the duties collected on imports. Under section 708 of the act, the producers may, by vote, authorize a deduction from these payments for the purpose of developing and conducting promotion programs for wool, mohair, sheep or goats, or the products thereof. This they have done, and a large portion of this money has been spent to promote the sale of lamb and mutton, so as to thereby increase the market at a favorable price and to promote the accomplishment of the purposes of the act.

In spite of their efforts, they are now faced by huge and rapid increases of imported products and live sheep, which heap additional burdens upon them and again threaten to destroy this industry so declared to be essential to the national security and general economic welfare of the country.

Due primarily to increased imports of wool, the number of sheep produced in America was reduced by approximately 50 percent between 1946 and 1954. With an industry in such condition, even a minor adverse change would do serious injury. The change, of course, has been anything but minor. It has been both major and rapid.

Over the past 2 years, imports have jumped from 3.5 million pounds of lamb and mutton to 56.8 million pounds. Since 1937, imports of live sheep for slaughter have jumped from 17,832 head to 75,073 head in 1959. This simply means that in 2 years, the imports of carcass lamb and mutton have jumped by over 1,600 percent, and imports of live sheep have gone up in the same 2-year period by 440 percent.

On the basis of the facts, there can be no doubt that there has been a tremendous increase in imports, both actual and relative to domestic production. There has been a decline in the proportion of the domestic market supplied by domestic producers. This is grounds for relief under section 7(b) of the act.

Figures to be presented to you by producers and feeders will show conclusively that this has adversely affected both prices and profits, as to both the producer and the feeder.

A fact sheet of the U.S. Department of Agriculture, Foreign Agricultural Service, published in January 1960, showed that the United States is the world's second largest agricultural importer, and threatens to become the largest, even importing more than the United Kingdom. This same fact sheet further shows that imports of supplementary, or competitive, commodities have jumped from two-fifths of total agricultural imports to one-half. I quote from the publication:

"In the past 2 years, supplementary imports have increased to one-half of total agricultural imports due to expanded purchases of cattle and meats."

May I, at this point, refer to the consideration being given by the cattle industry in seeking similar relief to that requested in this proceedings. In that regard, I sincerely hope that an investigation will be ordered by the Commission and, after hearing, proper relief granted.

Rising imports of lamb and mutton of cattle cannot be divorced. The two coupled together make the situation even worse.

Unless something is done about this, there is every reason to believe, from the equipping of ships on down, that it will continue to the point that it completely breaks the American market, breaks a large number of our American producers and feeders at the same time, thus making an already bad agricultural situation a catastrophe. This could very well break the American economy.

The statement of some supposedly intelligent people that this will take care of itself, because as prices are driven down and the

attractiveness of our markets removed, the imports will naturally decline, is an asinine statement on its face. Anyone familiar with the lamb and mutton and beef production and feeding industries knows that prices have not been too high and that even on the basis of the best prices, with the increased costs, a fair profit on investment has generally not been possible.

The production of lamb and mutton does not exist in a vacuum. It is a part of our overall agricultural picture. Yourself and everyone in the Nation are familiar with the conditions and problems that face us in that regard. According to the figures furnished me by the Department of Agriculture, the imports of mutton and lamb for the fiscal year ending June 30, 1959, were the equivalent of 1,075,000 head of sheep. Figuring four acres of western grazing land required to run one sheep, which is a most conservative figure, that represents the replacement of over 4,300,000 acres. It could further be converted into pasture on dry farm land, irrigated farm land or top farm land. All would be substantial. In addition, land is required for hay and crops to fatten and finish. May I suggest that producers of flocks all over the Nation are threatened. Your investigators will confirm this.

On the basis of increased imports for the last 6 months of calendar year 1959, it appears that the figure for western grazing lands would jump to almost 5 million acres. This, of course, is greatly further aggravated by the startling rise in imports of beef and cattle.

We have only so many acres in the United States that can be used to produce food and fiber. Our agricultural problem is one of overproduction. It cannot be denied that imports of foreign agricultural products, either directly or indirectly, supplant the production of acres in this country. We will be aggravating it instead of solving it, if we permit acres presently in production to be replaced by foreign imports.

Higher wages and higher taxes paid for his equipment and supplies and in his own operations make both the direct and indirect costs of the American farmer and livestock producer higher. They have shown their ability to compete on a fair basis, but they cannot survive the unfair competition from abroad based on lower wages and lower taxes.

Total imports of agricultural products for 1959 exceeded \$4,100 million. Total exports amounted to \$3.7 billion, but of this, \$1.3 billion was given away, directly or indirectly, by one device or another, so that the amount sold for dollars amounted to only \$2.4 billion. Eight hundred million dollars of this was sold mostly from CCC stocks at less than domestic market price. Therefore, our agricultural exports on a sound economic basis totaled only \$1.6 billion, whereas the imports of directly competitive products were over \$2 billion.

Various schemes, all at the taxpayers' expense, have been tried to meet our agricultural problem, from high price supports to paying people not to produce, through the soil bank. The soil bank and the acreage restrictions are direct recognition of the interrelation of agricultural products and the fact that it is an acreage problem.

Other schemes, all at the taxpayers' expense, from direct cash payments up and down, are being proposed. All have placed or would place the American farmer in a straitjacket of poverty, but be extremely costly. The efforts of those of us who are trying to do something about this on a sound economic basis will be completely thwarted unless something is done to prevent the free agricultural economy of this country from being destroyed by increased foreign imports produced under conditions of foreign competition.



Let us look at the other side of the coin. The American taxpayer is paying for foreign aid to raise the standard of living of the underdeveloped and undernourished countries. Included in this is Public Law 480. At the same time, when we allow food which would normally go, and should go, to these markets, to be imported into this country just to make a bigger profit, we are taking away from the very people we are trying to help. A large portion of our agricultural products disposed of under the foreign aid program has gone to Asia and the Far East. It is time that the American taxpayer was given some consideration. It is time that the right hand starts paying some attention to what the left hand is doing.

We cannot continue to take away the American farmers' and ranchers' production by imports and give away American agricultural products to those from whose mouths we have taken the food that should have gone to them, and hope to ever solve the agricultural problem on a sound economic basis, or for that matter, hope for this country to survive economically.

A full investigation will show you, I am sure, just as it has shown me, that our agricultural surplus problem, which is one of the main problems plaguing the Nation, could be solved by reduction of the imports which directly compete with American farm products. This would be a sound economic approach, while at the same time those products which have been coming to this country would be diverted to markets where they are much needed.

Those who say this would destroy our exports ignore the facts. We would still export the agricultural products which we are now exporting, on a sound economic basis, because they are going to countries that need them and can afford to pay for them. We would still import the \$1.7 billion of agricultural products from other countries which are not raised here and which we really need.

An investigation by the Commission, I am sure, would conclusively show this to be a sound solution to our agricultural problem and the drain on the American treasury and taxpayer. I realize that you cannot do this in its entirety, but taking proper and sufficient action in this proceeding will be a big step in the right direction. It is a step which is contemplated and provided in present law. Being in present law, it may very well be one of the few constructive things that can be done for American agriculture during the present year.

The evidence presented to this Commission and the results of your investigation will show a destruction of profits and a reduction in prices already, with almost a certainty of complete chaos in the future on the basis of the trend, if something is not done to stop and roll back the imports.

The facts speak for themselves, showing an increase of actual imports of lamb and mutton from 3.5 million pounds to 56.8 million pounds in just 2 years, an increase of over 1,600 percent. They will show that total imports for 1959 have jumped to 7.78 percent of the commercial market, and on the basis of trends and the facts, threaten to go to over 18 percent if something is not done.

All of this in an industry that has already been recognized by act of Congress, signed into law by the Executive, to have been already in a perilous condition, and in an industry that has been similarly determined to be essential to the national security and the general economic welfare of the Nation.

I implore the Commission to take appropriate action, and on the basis of your past record, I am confident that you will. The action taken will have to be sufficient to "remedy the serious injury" as provided in the act. I seriously doubt that the permissive increase in tariffs alone will be sufficient,

and if it is not clearly so, then quotas should be established to roll back the imports.

I repeat that the Commission has one of the few opportunities under existing law to really do something good for American agriculture on a sound economic basis, and at the same time, to act in the best interests of the American taxpayer and the Nation as a whole.

Thank you for this opportunity to appear before you.

#### AMENDING HOUSE RESOLUTION 146

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 437 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That H. Res. 146, Eighty-sixth Congress, agreed to on February 24, 1959, is hereby amended by striking out "\$60,000" and inserting in lieu thereof "\$75,000".

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### COMMITTEE ON EDUCATION AND LABOR

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 441 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That, effective from January 3, 1959, the further expenses of the studies and investigations to be conducted pursuant to H. Res. 147 by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed \$168,000, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 1, strike out "1959" and insert "1960".

The committee amendment was agreed to.

The resolution was agreed to.  
A motion to reconsider was laid on the table.

#### COMMITTEE ON GOVERNMENT OPERATIONS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 460 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That the further expense of conducting the studies and investigations authorized by rule XI(8) incurred by the Committee on Government Operations acting as a whole or by subcommittee, not to exceed

\$400,000 including expenditures for employment of experts, special counsel, and clerical, stenographic and other assistants, which shall be available for expenses incurred by said committee or subcommittee within and without the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and approved by the Committee on House Administration.

Sec. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

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

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

Mr. SCHENCK. Mr. Speaker, I wonder if the gentleman will tell us how much this makes the total amount available to the Committee on Government Operations.

Mr. FRIEDEL. It is \$1,040,000, about \$135,000 less than the committee received in the 85th Congress.

Mr. SCHENCK. It has been brought to my attention that there is to be a hearing held in California on some subject under its jurisdiction by the Committee on Government Operations, and that for some reason the minority counsel is not to be sent to that meeting. Does the gentleman have any information on that? They certainly would seem to have a sufficient amount of money to take care of that.

Mr. FRIEDEL. I yield to the chairman of the Committee on Government Operations to answer that question.

Mr. DAWSON. May I say to the gentleman that it has not been customary to send a counsel with a subcommittee and it was not done in this case. Usually we permit a staff member to go with the subcommittee when the minority leader is going, because of his illness. We have always done that. Otherwise we do not. That is the way the committee has always been run. We have saved the Government lots of money. I think the work of this committee is known to every Member of the House. I do not believe any Member who has ever served with the Committee on Government Operations has ever accused the chairman of being unfair in his actions toward any minority or any member of the committee.

Mr. SCHENCK. May I say that certainly no one is indicating that the chairman of the Committee on Government Operations is anything but fair in his relationship with the committee. The point that was raised was that this is a rather important hearing, a hearing that may develop some very important information. The minority felt they should have a minority counsel accompany that committee. This resolution allows money for the operation of the committee. I wonder if there was any lack of money and if that is the reason for not sending the counsel on this occasion.

Mr. DAWSON. No, it is not the lack of money, because the sum of money asked for the committee is based on the operations of the committee. This is just the customary operation of the committee. We extend every courtesy to every man on that committee regardless of party.

We do not go into investigations from that standpoint. Our job is to follow the appropriated dollar to see that it is economically and efficiently spent. That we try to do and that we do do. We do not play politics on the committee. We extend to the minority every courtesy and every right, and we are happy to do so. We have a very fine working committee, and we have worked together that way through the years.

Mr. SCHENCK. Mr. Speaker, if the gentleman from Maryland will yield further, when we took this matter of the various committee appropriations up in our Committee on House Administration, there was a very splendid résumé of the savings that had been achieved through the operations of the Committee on Government Operations. I wonder if the chairman will feel it is proper to place that list in the RECORD with such additional information as he may feel is warranted.

Mr. FRIEDEL. In reply to the gentleman's question, and your request that this information be placed in the RECORD, I talked to the gentleman from Illinois [Mr. DAWSON]. He had this information inserted in the RECORD of March 17 on St. Patrick's Day, and it is to be found on page 5917. There is a complete breakdown in the RECORD of the savings of the Committee on Government Operations that had previously been filed with the Committee on House Administration.

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

Mr. FRIEDEL. I yield.

Mr. HALLECK. Mr. Speaker, I spoke to the chairman of the Committee on Government Operations just a moment ago about this matter of minority counsel at this particular subcommittee hearing. I would just like to say for the record, I agree with the gentleman that he has been fair and I find no quarrel with that. As a matter of getting the record straight, it is the understanding of many of us that what is proposed out there is a sort of replay of the hearing at which there was developed some very substantial political overtones and the only reason I have brought up this business of minority counsel is because if that is what is to be done again, then I think the minority is entitled to have somebody out there besides a minority Member of the House.

Mr. DAWSON. I assure my distinguished friend of many years that we do not go into matters because of political implications. We go into matters because we feel expenditures may have been made in an unfair way. If the gentleman will permit me to say so, certainly, we would never conduct the committee hearings with the purpose of going into things from the standpoint of politics. The Republican member on that subcommittee was the gentleman from Michigan [Mr. HOFFMAN]. He could not go and he asked me to permit the minority counsel of the full committee to go. I said if it was all right with his side, for him to go instead of sending another Member of the Congress, that would be all right. He said the Congressmen were busy and I consented to that. Then, later they changed their

minds again and decided to send a member of the committee instead of the counsel. Of course, that is all right. That has been the normal procedure, and what we are doing here is strictly in accordance with the procedure that we have always adopted.

Mr. HALLECK. Mr. Speaker, just to conclude my part in this colloquy, I want to call this to the attention of the House. After that hearing several years ago, the minority said the following:

The hearing was a forum provided at the taxpayers' expense for campaign oratory during the closing weeks of a political campaign, and its chief result was unwarranted abuse of a forthright witness for the Department of the Interior.

Mr. Speaker, that minority report was signed by 13 very fair and able Members of the House of Representatives. And that is the only reason I raised the question at this time.

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

Mr. FRIEDEL. I yield.

Mr. NELSON. I would like to make an inquiry of the gentleman from Illinois [Mr. DAWSON] relative to this committee. Is this the same type of investigation as the so-called Chudoff committee? Is this the same committee?

Mr. DAWSON. No, it is not the same committee.

Mr. NELSON. Was the Chudoff committee a part of this?

Mr. DAWSON. The Chudoff committee was a subcommittee of the Committee on Government Operations. Of course, as the gentleman knows, Mr. Chudoff is no longer with us, he is a judge in the city of Philadelphia.

Mr. NELSON. Yes; I understand. But I am making this inquiry because it has been suggested that there have been political overtones here. I might call the gentleman's attention to the fact that when I was Administrator of the REA I was investigated by this same committee; and, if I ever was involved in a political circus, that was it. I want to register my objection to that kind of performance if there are going to be taxpayers' dollars spent on that type of investigation. Where I was investigated, for example, because of the fact I drank coffee with some Republicans. Now that is going a little too far.

Mr. DAWSON. I agree with my colleague that that is going a little too far, but I am sure the gentleman would agree with me that we would not do that sort of thing.

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

Mr. FRIEDEL. I yield.

Mr. GROSS. I have no doubt that the Committee on Government Operations has done some good work, but when you run up a bill and ask for more than a million dollars, I want to ask whether there is any other committee of the Congress that gets such a large amount of money.

Mr. FRIEDEL. In the other body, perhaps, but they testified, and it is in the CONGRESSIONAL RECORD, page 5916, that there has been a savings to the Government of \$68 million. Any time you spend \$1 million to save \$68 million, that is good business.

Mr. GROSS. That is good business, but if they saved several hundred million, would you think they ought to have three or four more million? I do not know that that is a criterion exactly.

Mr. FRIEDEL. There is no proof that any of this money is wasted. What they did not spend they turned back to the Government.

Mr. GROSS. How much of a staff does the Government Operations Committee have?

Mr. DAWSON. I imagine about 50.

Mr. GROSS. Someone told me you had nearer 75.

Mr. DAWSON. I do not think that is true. It is two subcommittees.

Mr. GROSS. Even with 50 staff members, it seems to me that in the situation which has been discussed previously, if the chairman had asked a staff member to go with the minority party in a hearing—

Mr. DAWSON. I do not think he will find that trouble in any committee.

This particular situation is raised in the last moment in a manner that I do not appreciate. We have been working together, Democrats and Republicans. We have differed at times, and I can appreciate that we are going to look into matters that perhaps they do not want us to go into, but we have a number of people to look into it. If you will read the report again, you will find that these men have done a good job. It is not an easy thing to follow an appropriated fund and get down to the rock bottom of it. We have done that. We have asked for sufficient money to do it. You have always given it to us. We have returned to you the money we have not spent. We have not wasted any of the money of this Congress.

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

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

Mr. HOEVEN. With reference to the hearing contemplated for the west coast, how many staff members does the gentleman from Illinois intend to send out?

Mr. DAWSON. We expect to send enough people to do a good job.

Mr. HOEVEN. How many staff members?

Mr. DAWSON. I do not know. Perhaps two. Sometimes we send a man to a certain place and we will have him go into another job. Certainly you have to have men to do the job. You have to use capable men to have them do a good job and they have to be on the job. I submit to you we have always undertaken to do a good job.

Mr. HOEVEN. Does not the gentleman think, in view of the minority report that has been referred to, after the meeting held in 1956, that certainly the minority should be represented on the staff?

Mr. DAWSON. The minority is represented on the staff. Not only the number that is set up, but we have given them extra ones to help them. They have more than is allowed by law. We have given them a staff. Of course they are charging it up to one of the subcommittees, but I have assigned them to the minority side to work with them regularly. They are at their service.



I am sorry this is brought up in this way because it was not intended to be. We have not had that kind of feeling at any time.

Mr. HOEVEN. The thing that disturbs me is the report that was made by the minority.

Mr. DAWSON. Is that the Chudoff report?

Mr. HOEVEN. It indicates that there were political overtones.

Mr. DAWSON. I could likewise charge the minority.

The SPEAKER. The Chair calls for the regular order. The regular order is, is there objection to the present consideration of the resolution?

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

*Resolved*, That the further expense of conducting the studies and investigations authorized by rule XI(8) incurred by the Committee on Government Operations acting as a whole or by subcommittee, not to exceed \$400,000 including expenditures for employment of experts, special counsel, and clerical, stenographic and other assistants, which shall be available for expenses incurred by said committee or subcommittee within and without the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and approved by the Committee on House Administration.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### CONTESTED ELECTION CASE OF MAHONEY AGAINST SMITH

Mr. ASHMORE. Mr. Speaker, by direction of the Committee on House Administration and pursuant to clause 20 of rule XI, I call up House Resolution 482, relative to the contested election case of Mahoney against Smith, Sixth Congressional District of Kansas, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That WINT SMITH was duly elected as Representative from the Sixth Congressional District of the State of Kansas in the Eighty-sixth Congress and is entitled to his seat.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### "UNCLE SAM"

Mr. ADAIR. Mr. Speaker, in an effort to halt what might prove to be a grave injustice to one of America's most illustrious citizens, I rise in protest against an impending legislative proposal. As you may realize, steps are under consideration which would honor Troy, N.Y., with a shrine as a mark of respect for a man that community claims as the first "Uncle Sam."

In Indiana, and particularly in the district I represent, our people know that buried in a quaint and interesting little cemetery at Merriam, rest the mortal remains of the Nation's original

"Uncle Sam." It is the body of Samuel Wilson who died on March 7, 1878, at the age of 100 years and 3 days.

Here are the facts to substantiate the claim that this Samuel Wilson was the original "Uncle Sam" whose interesting life and individuality became the patriotic caricature of the tall figure in the top hat and red, white, and blue suit that became known throughout the world, depicting freedom and liberty.

A little crossroads country store at Merriam still bears the legend of his individuality and carries the message of his existence for all to see. The people of northern Indiana grew up to honor and respect the historical significance and tradition created by "Uncle Sam" Wilson, of Merriam.

To prove our contention, we had definite records and information about him and how he achieved the recognition as "Uncle Sam." To begin with, Samuel Wilson, one of triplets, two boys and a girl, was born in Wilmington, Del., March 4, 1778. When he grew to manhood, to follow his career, he and his brother joined the Lewis and Clark Northwest expedition which he accompanied to a point in North Dakota. Afterward, they returned to their family at Troy-on-the-Hudson, N.Y. Then Samuel went to work for a Mr. Elbert Anderson.

During the War of 1812, Anderson's store served as a Government agency furnishing supplies for the Army. In marking and examining these Government supplies, Samuel Wilson used to write the initials "E.A.-U.S." on them. The "E.A." was for Anderson's store and the "U.S." for Uncle Sam as he had been nicknamed by that time. Through the shipment of these goods, when the initials were identified to all, Samuel Wilson became the popular "Uncle Sam." His tall, spare figure and whiskered face, of the Lincoln type, was then marked for posterity, and it became the subject of artists and was discussed in print and by word of mouth.

After the war, "Uncle Sam" Wilson migrated west. He married a Pennsylvania girl and then drifted on to Indiana. He died March 7, 1878, in Indiana and was buried in the Merriam cemetery.

The people of the United States, I believe, owe a debt of gratitude to this "Uncle Sam" for the outstanding contribution he made to our history and patriotism. Furthermore, I urge that we pay proper respect to him and his survivors by recognizing that he is the original "Uncle Sam" and that he deserves this honor.

I include herewith some accounts of "Uncle Sam" taken from Indiana newspapers:

[From the Indianapolis Star, Feb. 26, 1928]  
GRAVE OF ORIGINAL UNCLE SAM FOUND IN NOBLE COUNTY, IND.—KENDALLVILLE NEWS-PAPERWOMAN VISITS 93-YEAR-OLD HOOSIER, WHO TELLS HOW FATHER'S NICKNAME CAME TO REPRESENT THE UNITED STATES

KENDALLVILLE, IND., February 25.—A woman's intuition and her love of patriotic history has led to the discovery of the last resting place of the original "Uncle Sam," whom admiring millions of Americans have held in worshipful esteem.

Our histories and encyclopedias have given us a more or less mythical account of the origin of this character in our Nation's history, but no authentic information has heretofore been disclosed of the identity of the man, where he lived and died and how it came about.

A chance remark came to the ears of Mrs. Louise B. Young, of Kendallville, associated with your correspondent in the publication of the Noble Farmer, an agricultural publication. Her nose for news scented a story, and arming herself with a camera she set out for the facts and obtained a picture of the tombstone erected at the grave of "Uncle Sam," buried in a little, obscure graveyard near Merriam, Noble County, Ind., on the route of the Lincoln Highway. The stonecutter made a mistake of 13 years in the date of his death, which has never been rectified, as the family hoped at some time to erect a monument fitting the character it represented.

#### SON IS VISITED

Visiting the son, John M. Wilson, 93 years old, and his granddaughter, Mrs. Claea Zumbach, both living at Albion, the following facts were obtained and fully verified:

Samuel Wilson, one of triplets—two boys and a girl—was born at Wilmington, Del., March 4, 1778, the son of Marmaduke and Mary Wilson, who came to America from Scotland. There were no other children in the family.

Growing to manhood there, Samuel with his brother joined the Lewis and Clark Northwest Expedition in 1804, accompanying them as far as where Mandan, N. Dak., is now located. These young men spent the winter there, returning to St. Louis, Mo., in the spring. Later they returned to Troy-on-the-Hudson, N.Y., where they were joined by their parents. Samuel secured employment with one Elbert Anderson, who owned and operated a general supply store.

When war with Great Britain was declared in 1812, the Anderson store was converted into a Government supply headquarters, with Anderson as commissary and Samuel Wilson as his superintendent, afterward a quartermaster. Among Mr. Wilson's duties was that of examining and marking all packages for Government use. The mark placed on these containers was "E.A.-U.S." Wilson was known by his associates as "Uncle Sam," and one day when a longshoreman was asked the meaning of these initials, he replied by saying, "For Elbert Anderson, the commissary, and Uncle Sam, his superintendent, for he and the United States are all one. He represents the Government, too." Meant as a joke, the idea took hold and Mr. Wilson's name, "Uncle Sam," since that time has been a personification of the United States the world over.

#### APPEARED IN CARICATURE

Later Uncle Sam began to appear in caricature, in many guises before the Civil War. Although tall and slender, as Mr. Wilson was, it is thought the present conception of Uncle Sam, which began to appear in cartoon in the early 80's, had its inspiration on the tall, gaunt figure of Abraham Lincoln.

"Uncle Sam" had varied experience during the war. He was on board the *Constitution* in that famous 25-minute battle with the *Guerriere* when the latter was sunk. In this battle Uncle Sam was cited for gallantry by Capt. Isaac Hull, and when he was honorably discharged he received two land warrants from the Government. One of these warrants he sold to his son, John M., who now lives at Albion, Ind., while the other went to a Jim Harrison and was also used in Indiana.

After the War of 1812, Uncle Sam went to Pennsylvania where he was united in marriage to a Miss Susan Anderson of

Cumberland County. To this union 10 children were born—7 boys and 3 girls, as follows: Noah, David, Andrew, Samuel, Anthony, James, John, Mary, Angeline, and Lucinda.

By trade and profession Uncle Sam was a tailor and a doctor. His son John now has a lance that was used by Uncle Sam to alleviate the suffering of his patients, in the old days when "bleeding" was regarded as a cure-all for most ailments.

As time rolled on, and the caricature of Uncle Sam became more and more in use, his family developed a strong antipathy to this familiarity, and when they moved to Indiana among strangers they resolved to avoid any further publicity along this line and kept the identity of Uncle Sam a secret. However, a chance remark furnished a clue which when followed brought the above story, which was freely told and fully verified.

Uncle Sam died March 7, 1878, in Kosciusko County, Ind., at the age of 100 years and 3 days. His body was later removed to Merriam where it now rests with other members of the family.

[From the Indianapolis News, Mar. 31, 1955]  
RINGSIDE IN HOOSIERLAND—UNCLE SAM'S BURIAL PLACE IN INDIANA

(By Wayne Guthrie)

You may recall that in July I raised a question as to just where Uncle Sam—the real prototype of that picturesque personification of the U.S. Government—is buried.

That query was prompted by a book I was reading at that time, "Stories in Stone," by Charles I. Wallis. It indicated that two localities—one in Indiana and the other in New York—claim that distinction.

On one thing both are in agreement—the man's name was Samuel Wilson.

Persons living near the Christian Chapel Cemetery, near Merriam, Noble County, insist the genuine Uncle Sam is buried there. By the same token that book pointed out that a gravestone in a Troy (N.Y.) graveyard carries an inscription referring to "Uncle Sam."

John J. Favinger, Whiteland, assistant State entomologist, sent me two pictures he took recently of that gravestone, stating that Wilson was a soldier of the War of 1812 and that he was 100 years and 3 days old when he died May 7, 1865.

#### NEWSPAPERS AGREE ON DATE

An attaché of the reference division of the Indiana State Library called attention to two

different articles that appeared in two different newspapers several years ago about this same gravestone. They both refer to the date of death as being March 7, 1878. That obviously is a 13-year discrepancy with the date on the stone itself but one of the articles explained that by saying the stone-cutter made that error which had not been corrected because the family at that time hoped to erect a marker more fitting.

Perhaps some highlights from the material contained in those articles might be of interest. For one thing, that Samuel Wilson was born at Wilmington, Del., March 4, 1778, and was one of triplets—two boys and one girl.

Samuel and his brother joined the Lewis and Clark expedition in 1804 and traveled with it until it reached the spot that now is the site of Mandan, N. Dak. There the brothers spent the winter, returning to St. Louis, Mo., the following spring.

Eventually Samuel made his way to Troy, N.Y., where he and a man named Elbert Anderson owned and ran a store. The War of 1812 saw that store become a Government supply headquarters, with Anderson as the commissary and Wilson as quartermaster. Included among the duties that fell upon Wilson was that of examining and marking all the packages designed for Government use. The identification mark was—"E.A.—U.S." I presume the "E.A." referred to Elbert Anderson. It wasn't long before associates started calling Wilson "Uncle Sam." It is not made entirely clear how that began but one point is of interest in that respect.

It said that once a longshoreman, asked what those initials—"E.A.—U.S."—meant, came back with this answer, obviously meant as a rank joke:

"For Elbert Anderson, the commissary, and Uncle Sam, his superintendent, for he and the United States are all one. He represents the Government, too."

#### JOKE CREATE NATIONAL SYMBOL

Regardless of the fact that it was intended as a joke that name quickly took hold and Wilson afterward was known as Uncle Sam. Since then, too, "Uncle Sam" has been known everywhere as the personification of our Government.

Wilson had some thrilling experiences being on the U.S.S. *Constitution* in the battle in which it sank the *Guerriere*.

At his honorable discharge Wilson got two land grants from the Federal Government. Both of these, which he disposed of to others, were for Indiana land.

Following the War of 1812 Wilson married a Pennsylvania girl and to that union 10 children—7 boys and 3 girls—were born.

#### QUESTIONNAIRE ON IMPORTANT NATIONAL ISSUES SENT TO RESIDENTS OF THE 39TH CONGRESSIONAL DISTRICT OF NEW YORK

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OSTERTAG] may extend his remarks in the body of the Record and include extraneous material.

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

There was no objection.

Mr. OSTERTAG. Mr. Speaker, this year I distributed a questionnaire on important national issues to a cross section of residents in the 39th Congressional District of New York, which I am privileged to represent. The district includes that portion of the city of Rochester and Monroe County which lies west of the Genesee River, and Orleans, Genesee, and Wyoming Counties.

Replies to the questionnaires were submitted by 5,154 persons, and the tabulations of results furnishes some very interesting and significant information. For example, an overwhelming majority of replies favored a balanced budget and a reduction in farm price supports. By lesser margins the replies supported an increase in the Federal minimum wage standard and a continuation of foreign aid programs.

There was strong opposition to admitting Communist China to the United Nations. A majority also opposed stronger Federal regulation of radio and television programs and Federal aid to support public schools.

Other questions dealt with space exploration, social security, interest rates, relations with Russia and the choice for the next President of the United States.

A complete tabulation of the results is listed below in percentages of the total number of replies:

	Percentages				Percentages		
	Yes	No	Undecided		Yes	No	Undecided
1. Do you favor a balanced Federal budget as a means to maintain a stable economy and check inflation?	94.3	3.7	2.0	8. Should Congress enact legislation to remove the present 4½-percent ceiling on interest rates for long-term Government bonds?	41.3	47.9	10.8
2. Should the United States greatly accelerate its programs of science and space exploration?	66.5	27.5	6.0	9. Should we continue at the present level our foreign-aid programs of—			
3. Do you favor Federal aid to the States and communities for the support of our public schools?	43.0	54.3	2.7	(a) Military assistance?	50.8	39.9	9.3
4. Should the Congress enact legislation to reduce the present levels of price-support subsidies for surplus farm commodities?	81.7	13.8	4.5	(b) Economic assistance?	55.9	35.4	8.7
5. Do you favor enactment of legislation to provide for stronger Federal regulation of radio and television programs?	45.8	50.2	4.0	10. Do you believe it is desirable to increase cultural, scientific, and trade relations with Russia?	57.5	36.5	6.0
6. Should the social security law be amended to—				11. Do you favor admission of Communist China to the United Nations?	16.0	79.1	4.9
(a) Raise the present annual \$1,200 ceiling on earnings?	73.3	22.3	4.4	12. Who is your choice for the next President of the United States?			
(b) Increase the social security taxes to provide for a program of hospital and medical benefits for eligible retired persons?	49.1	46.4	4.5	Nixon	59.3	Stevenson	2.1
7. Do you favor amending the Federal minimum wage law to raise the present minimum rate of \$1 an hour to \$1.25?	60.5	37.5	2.0	Kennedy	8.1	Others	4.5
				Rockefeller	3.4	No selection	22.6

#### MEDICAL CARE FOR THE AGED: WHAT'S A GOOD ANSWER, MR. PRESIDENT?

The SPEAKER pro tempore (Mr. GEORGE P. MILLER). Under previous order of the House, the gentleman from

Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. PORTER. Mr. Speaker, several years ago I attempted to hold off a tough



question from one of my sons with the remark "That's a good question." It did not work. His response was, "What's a good answer, Dad."

The President, through Arthur S. Flemming, his Secretary of Health, Education, and Welfare, has said in effect that what to do about medical care for the aged is a good question. Secretary Flemming said yesterday:

All the administration has endorsed is the exploration.

We know it is a good question. What the American people want to know is what is a good answer. Many of us think that the Forand bill—H.R. 4700—is a good answer, maybe not the best but certainly the best we have seen so far.

Yesterday Secretary Flemming told the Ways and Means Committee that the administration had decided it was necessary to "explore further some complex issues" before devising "principles of a practical program." I suggest that it is plain that Secretary Flemming, who recognizes the need, was overruled by the President and by Republican leaders who do not recognize the need. The complex issues are not those of medical care for the aged but of Old Guard reactionary prejudice.

It is good to know that the House Ways and Means Committee is presently concerned with reporting out a social security bill for 1960. I am one of many Members of Congress who believe that among its provisions should be found the kind of protection against hospital and nursing home costs for social security beneficiaries which is contained in the Forand bill.

This proposal extends the scope of our social security system by paying for these costs from the self-financing social security fund, using reimbursement methods closely related to those now used by plans such as Blue Cross and Blue Shield.

#### THE FEAR OF ILLNESS

It is, I believe, no exaggeration to say that the haunting fear of an expensive illness lies deep in the heart of our older men and women. Too often, we know, they are unable to purchase the kind of protection they need, because of their lowered retirement income. In 1958, 60 percent of people aged 65 and over had less than \$1,000 a year in net income.

This concern is not limited to our senior citizens, but is shared by their married sons and daughters who, with heavy family responsibilities of their own, are disturbed by the fact that they cannot always help their parents meet these costs to the degree that they would wish to do so. All evidence shows, moreover, the pressing need for better and more adequate medical care for people in this age group.

But we have become so embroiled in a discussion of how best to take care of this crucial problem that we have, too frequently, lost sight of what the problem is. We have been told, on the one hand, that this kind of protection can be provided through the development of voluntary plans for this purpose, by limiting Government action to people who have been subjected to the needs test

of our public assistance programs, or by voluntary low-fee schedules set at the individual discretion of doctors.

The Forand bill has been attacked as a step toward socialized medicine, disregarding the fact that the bill's benefits would be financed through the existing mechanism of our social security plan, using the combined contribution of workers and employers during working years to pay for a paid-up policy on retirement.

#### WIDE SUPPORT FOR FORAND BILL

In some 25 years of experience with this plan we have learned that this method provides a self-respecting form of protection against the loss of earnings caused by retirement, premature death of the wage-earner, and crippling disability. I am convinced that it is time to extend it to provide similar protection against the threat of heavy medical expense. The Forand bill is a carefully-considered piece of legislation which has been before the Congress for 4 years now. It enjoys the support of organized labor, most senior citizens groups, and public welfare officials—including two former Commissioners of Social Security under this administration. It deserves our serious consideration of its merits, and our support.

It is reassuring to note that the present administration at long last has begun to recognize that the need for better care for our senior citizens, available at a price they can afford to pay. This is a problem which will not disappear through wishful thinking or inter-departmental committees. But I have become increasingly disturbed by the conflicting and confusing stories appearing in the press during the past year, and particularly the past month, as to the administration's shifting solutions to the problem. Allow me to review for you some of the statements and pronouncements which have appeared during this period.

First of all, it may be noted that, in reporting the 1958 amendments to the Social Security Act, the Committee on Ways and Means expressed its great concern with the problem of providing better protection against hospitalization costs for older men and women and asked that the Department of Health, Education, and Welfare prepare a study of various alternatives, to be presented to the Congress in January 1959.

#### WAITING FOR AN ALTERNATIVE

Three months after the due date, on April 2, 1959, this report was submitted with the statement that its purpose was to present "the most important factual information bearing on this subject" but carrying no conclusions or recommendations. Specifically the report states:

Having completed this compilation, we are now proceeding with an analysis of the policy issues involved with a view to developing specific recommendations.

This statement was made, as you will note, just about a year ago.

During mid-July of 1959, the Committee on Ways and Means initiated a full week of hearings on the Forand bill. In the course of these hearings, Secretary Arthur S. Flemming appeared.

Many of us hoped that, at this time, he would come up with a firm policy which the Congress could explore. Again we were disappointed when the Secretary came up with no specific proposal and I, for one, was gratified that the able gentleman from Rhode Island [Mr. FORAND] expressed his concern over the fact that the report itself had been "delayed and delayed," together with his conviction that "if everybody who is interested in trying to find a solution for this problem had been devoting his time to finding a solution rather than fighting a bill that I introduced 2 years ago, perhaps we would have a solution by now."

The Secretary did, however, make one positive statement in his appearance at this time before the Committee on Ways and Means. He took the position that the objective "of making adequate medical care reasonably available to our aged population should, so far as possible, be achieved through reliance upon and encouragement of individual and organized voluntary action." As one reason for his opposition to the Forand bill, he identified the administrative problems which would arise in providing this new kind of protection. He agreed to study the matter further and come up with a more detailed proposal later.

#### SILENCE FROM THE DEPARTMENT

Throughout the summer and fall there was silence from the Department, except for an occasional reiteration of the position that private voluntary insurance must have a chance to show what it could do. In late October, a policy statement hinted that some changes might be proposed for the social security system, particularly in the public assistance plan, but no mention was made of the health needs of the aged.

Meanwhile, letters from our older men and women continued to pour into congressional offices urging prompt consideration of the Forand bill. During the hearings conducted last fall throughout the country, by the Subcommittee on the Aged and Aging of the Senate's Committee on Labor and Public Welfare, older men and women appeared repeatedly to state that their greatest worry was how they could manage to finance the cost of an extended illness. They were self-respecting men and women, proud of their present self-sufficiency, but greatly concerned by the fear that expensive medical care would wipe out their savings and force them to accept charity in one form or another.

#### "CONSIDERATION" BY THE ADMINISTRATION

Finally, on February 4 of this year, the President told his news conference that the administration was considering a proposal to increase the social-security payroll tax by one-fourth of 1 percent for both employers and employees to finance better care for the aged—an amount of tax increase identical with that in the Forand bill. It was said, however, that the administration had in mind provisions covering only catastrophic illness among the aged, and that the Department's staff was working on

several alternative plans. The New York Times story on this press conference concluded:

Secretary Flemming has said he recognizes such care as necessary. He has promised to produce a plan to put before the House Ways and Means Committee when it takes up amendments to the Social Security Act [in mid-March].

About 3 weeks later, on February 20, another news story appeared in the New York Times stating that—

Mr. Nixon's leadership during the last week is credited with having broken a long administration logjam, with the result that five alternative plans for medical care for the aged were sent from the Department of Health, Education, and Welfare to the Budget Bureau for an administration decision.

These proposed plans were described as follows:

A plan to cost \$90 million the first year for medical care of the indigent aged using the public assistance mechanism. It is generally thought that this plan can be disregarded as it would be paid for by public revenues and would be contrary to the budget policies of President Eisenhower.

A payroll deduction plan to cost \$400 million that would involve taking out insurance policies for the aged. The policyholder would pay the first \$250 in charges for a serious illness, the Federal Government up to 85 percent of the remainder of the costs.

A payroll deduction plan to cost \$500 million, somewhat broader in scope, again with the first \$250 deductible.

A payroll deduction plan to cost \$750 million to cover all costs but surgery.

A payroll deduction plan to cost \$1 billion to provide complete medical care, including nursing-home care, for the needy aged.

It may be noted that, at this point, four of the five plans included the payroll deduction method of financing used in the Forand bill. The story stated further that—

Arthur S. Flemming, Secretary of Health, Education, and Welfare has been trying since last July to draft a plan for medical care for the aged that would be acceptable to the Budget Bureau.

#### FLEMMING'S DILEMMA

On Monday, March 14, Secretary Flemming appeared before the Committee on Ways and Means, in executive session, still apparently without an answer. On Saturday, March 19, still another news story appeared, noting that the President had conferred with Secretary Flemming. The situation was desperate because the Secretary had told the Committee on Ways and Means that he would be ready to report the administration's position on Wednesday, March 23, which was yesterday. This story, as reported by the United Press International, stated:

Flemming, under pressure of this deadline, apparently hoped to get a final decision quickly.

Informed sources said a voluntary insurance scheme was under serious consideration because of Budget Bureau and Treasury Department objections to other plans.

This time, according to the news story, the administration abandoned the social security method in favor of a system to underwrite private insurance plans, with State and Federal Governments paying the major share of the cost of premiums

for low-income individuals. According to this report, this last minute measure would shift the administration of the program from the Social Security Administration to the Public Health Service and finance the Federal share of the program from the general revenues.

Then yesterday, Secretary Flemming told members of the Ways and Means Committee the administration was still looking at the problem. A story in the New York Times today noted:

Mr. Flemming testified at a closed session of the House Ways and Means Committee. He later made public his prepared statement and answered reporters' questions.

"The Cabinet officers, adhering strictly to the Eisenhower team's rules of conduct, refused to discuss the difficulties he had met in seeking Presidential backing of an alternative program."

#### SUPPORT WITHHELD

At a White House conference yesterday, he outlined his ideas for a subsidized system of voluntary health insurance for elderly persons with low incomes. President Eisenhower sided with Republican congressional leaders in withholding his support, at least for now.

Nevertheless, Mr. Flemming said on leaving the committee room, "I am pursuing this approach just as vigorously as possible."

"All the administration has endorsed is the exploration," he said.

#### THE FABLE OF THE MILLER

With all due respect, let me say that, as I have followed these news stories, I have been reminded of the fable of the miller and his son who were driving their ass to a neighboring fair where he was to be sold. They had not gone far when they encountered a group of laughing girls returning from town.

"Look there," cried one of the girls. "Did you ever see such fools, trudging along the road on foot, when they could be riding."

So the miller put the boy on the ass and they went on their way. Presently they encountered a group of old men in earnest debate. "There," one of the elders called out, "Look at that idle young rogue riding while his poor old father has to walk."

And so the son got down to walk and the miller took his place on the donkey's back. They proceeded in this manner until they came to a company of women and children. "Why shame on you," they cried, "How can you ride while that poor little lad can hardly keep up with you?" The good miller, wishing to please, then took up his son to sit beside him.

But as they reached the edge of the village a townsman called out to them, "I will report you to the authorities for overloading that poor beast so shamelessly. You big hulking fellows should be able to carry that ass rather than the other way around."

So the miller and his son tied the beast's legs together and, with a pole across their shoulders, carried the ass over the bridge that led to the town.

When they saw this, all the townsfolk came out to laugh. The poor animal, frightened by this uproar, began to struggle to free himself and, in this process, slipped off the pole and over the rail of the bridge into the water and was drowned.

#### THE ADMINISTRATION'S LIPSERVICE

Mr. Speaker, I submit that we have reached the point at which responsible men in the administration, like the miller and his son, find themselves carrying the beast over the bridge. They have reached this sorry pass to avoid the charge of "socialized medicine," and to give lip-service to the voluntary method and voluntary insurance. In their effort to please all of the special interest groups concerned, they have pleased no one. We can sympathize with their plight. To avoid the charge of "socialized medicine" they have somehow worked themselves into the position of coming up with a plan financed, in part at least, out of the general revenues. By most definitions this method is itself socialistic in the sense that it gives out something for nothing. There is a vast difference in this approach and the social security method based on employee-employer contributions.

Moreover, in the face of their own statement that certain administrative problems might be created by the Forand bill, they seem to have produced, at this time, an administrative monstrosity which, instead of using the well-established and smooth-running social insurance plan, would set up another mechanism in the Public Health Service to provide such care. It will be interesting to see how long this makeshift proposal, the laborious product, to date, of months of high-level meetings, will survive. It seems likely to me that, like the poor animal in the fable, it is now struggling so hard that it is destined to slip into the water and be drowned.

Meanwhile, we must not forget that we are here concerned with providing our senior citizens with the kind of medical care they need in a manner which preserves their dignity and their independence.

It is time, I believe, that we look at the carefully worked out alternative to the administration's proposal-for-the-day approach. What would the Forand bill do? Very simply, it would provide combined hospital and nursing home care for up to 120 days per year for those people entitled to social security benefits—a total of more than 15 million people. Certain surgeons' bills would also be met by the Government. To finance this care, the plan would use the time-tried method of social security. Through an increase in the payroll tax, variously estimated at between 0.50 and 0.80 percent of payroll, the people of this country could, during their working years, pay for the cost of such care in the same way that they now pay for their retirement, survivor, and disability benefits.

#### THE OBVIOUS ADVANTAGES

This method has a number of obvious advantages. First of all, contributions under the Forand bill are levied over the individual's working lifetime when he is more able to pay for it and not in retirement when he is not. Secondly, employers share half of the cost in the same manner that they share the cost of benefit payments now being made. Thirdly,



the costs of such protection are adjusted to the ability to pay because the payroll tax represents a proportion of earnings regardless of the number of family members covered. The social insurance method, used by the Forand bill, uses the same social principle we now have—to pay a higher family benefit to a man with dependents—to provide them as well with protection against medical costs at a cost related to his earnings, rather than to the size of his family.

#### A KNOWLEDGEABLE DOCTOR'S OPINION

With medical cost rising, it seems clear the voluntary insurance cannot successfully deal with the health problems of the elderly. In a letter of February 29, 1960, the man who served as president of the National Blue Cross Association in 1957, Dr. Basil C. McLean, M.D., wrote Congressman FORAND:

A lifetime's experience has led me at last to conclude that the cost of care of the aged cannot be met, unaided, by the mechanism of insurance or prepayment as they exist today. The aged simply cannot afford to buy from any of these the scope of care that is required, nor do the stern competitive realities permit any carrier, whether nonprofit or commercial, to provide benefits which are adequate at a price which is feasible for any but a small proportion of the aged. \* \* \*

Legislation along the lines of the Forand bill offers a means of settling an area of difficulty and relieving the voluntary prepayment mechanism to concentrate on better programs within its areas of demonstrated competence. Surely, if OASDI health benefits are "contracted out" voluntary prepayment will be thereby strengthened and its programs will rest upon sounder economic footing.

For hospitals, the measure will provide, for the first time, adequate payment for services rendered to aged patients, relief from an unnecessary burden of long standing, and the kind of dependable financial support that produces growth and vitality for the community's health facilities.

There is good evidence that the American people are in favor of such legislation, in spite of the "scare" words which have been used against it. We know this from the letters that we receive from older men and women themselves. According to two studies by the University of Michigan recently released, more than half of the adult population surveyed favors Government help in providing low-cost medical and hospital care. These studies of public attitudes toward Federal participation in this area were made among 2,000 adults on a national level in late 1956 and in 1957 among 860 persons in Wayne County, Mich. The results were strikingly similar. The national survey showed that 55 percent of people interviewed felt that the Government should "help people get doctors' and hospital care at low cost." Twenty-five percent were opposed and 20 percent expressed no opinion. In the Wayne County study, 63 percent favored Government assistance, and 23 percent were opposed.

Mr. Speaker, I am convinced that we must act promptly in this matter and it is even more important that we act responsibly. Congressman FORAND's bill is, as I have said, a carefully considered proposal. It has been discussed in public hearings both in connection with the

1958 amendments to the Social Security Act, and in a full week of hearings on this one proposal last July. The hard-working gentleman from Rhode Island [Mr. FORAND] has always taken the position that he is open to reasonable changes in the provisions of the bill provided that they are within the framework of the social security system.

#### TIME FOR ACTION

AIME FORAND is a patient man. He knows that the Ways and Means Committee, of which he is the ranking Democratic member, has many great and complex responsibilities. However, the time will soon be here when, if necessary, action on the House floor will be achieved through a discharge petition.

On Tuesday, March 22, 1960, the gentleman from Rhode Island [Mr. FORAND] filed with the Rules Committee a resolution for a special rule. It is my earnest hope that the Ways and Means Committee will be able to report out suitable legislation to meet this vital problem and that a discharge petition will not after all be necessary. However, it is my belief that most Members of the House recognize the urgency of the problem and that they will insist on action.

In closing I want to bring to the attention of the House two excellent letters I have received. They discuss the need for such legislation as is found in H.R. 4700.

A county health officer in my district wrote to me this month. This is what he said:

MY DEAR MR. PORTER: As you may be aware there is a paper published weekly by the American Medical Association entitled "The AMA News." One of the chief reasons for existence of this paper seems to be opposition to the Forand bill. The issue dated March 7 on the front page there is a headline reading "Write Your Congressman." I am doing so.

Within the past month or two there was an editorial stating that most people past 65 were able to pay a \$500 medical bill because they had found by a survey that most people past 65 had \$500. The fact that paying that medical bill would wipe out these people's entire savings did not seem to be of any importance whatever. This editorial was to me somewhat nauseating. In fact, it made me just a little ashamed of my profession.

I would suggest that you acquire all the copies of this AMA News published within the last few months. I also want you to know that there is at least one physician in the Fourth District who is for and not against the Forand bill. From my observation the attitude of the general public on the Forand bill does not coincide with that of the American Medical Association.

The second letter comes from a couple in Sutherlin, Oreg., in my district. It reads:

SUTHERLIN, OREG., October 6, 1959.  
CHAS. PORTER,  
Democratic Headquarters,  
Roseburg, Oreg.

DEAR SIR: We are a couple almost old enough for social security. Now with everything going higher and higher we are wondering how long we are going to eat, not to mention lights, heat, taxes (we have a trailer, still have to pay approximately \$45 a year). Clothes (they do wear out). We get sick oftener than when we were young. Yet when we were young we had group insurance

(sometimes paid by the employer) that paid our doctor and hospital bills. Hospital care now averages \$18 per day, compared with \$10 10 years ago.

Insurance companies won't take a chance on us now. (If they did it would cost so much it would be impossible to carry it.) We might get sick enough to require hospitalization, for this a social security check won't go too far. How about the doctor? He has to be paid. Most of them charge \$5 a call. You can't blame them, everything they buy or use is higher. But what are we going to eat on after we pay seven or eight calls to the doctor out of what is left after we have paid the lights, the gas to cook on, taxes, etc., etc.? Many old people, through no fault of their own, have less than \$100 a month to live on—per month. I hear someone say, "They can earn \$100 a month." Just where are we to look for these \$100 jobs, that are work people 65 or over can do? They are too old to learn new jobs. Employers (most of them) don't want you after you are 45 or 50 at the most. You can get awful hungry between 50 and 65.

So what are you, our lawmakers, going to do for us? How about a program for people over 65 similar to the one contemplated for those on welfare? We also need help on our doctor and hospital bills. If we get a job it usually runs over \$100 in most cases. Then the social security is bawled up. Maybe the check will be delayed next month as a result. Maybe the job has run out. So, no money to live on. If your taxes are due that month Uncle Sam either charges you interest for deferred payment or sells something you own to get his.

Then after a few years (supposed to be carefree retirement) we pass on to our final resting place. Many have a little salted away to help pay that last expense. But if you have to keep dipping in, we won't have any left. The man or woman who has his own social security account has a small amount. But how about the wife who doesn't have her own account? (That's me.) As long as you have \$10 in the savings account, you are not eligible for welfare. Use the savings first, they say. So who is going to pay for me? So how about some bills being passed to help with doctors, hospital, medicine, and at last, funeral bills. Don't ask me where the money is to come. They always seem to find money in the millions of dollars to send to foreign countries, that they never get back. We have paid taxes all of our lives, so we have already paid ours.

Let's get going and do something for those who can no longer do for themselves.

Mr. and Mrs. W. R. P.

[From the Oregon Labor Press, July 3, 1959]  
AMA TAKES ONE STEP INTO THE 20TH CENTURY  
(From the AFL-CIO News)

The American Medical Association has moved somewhat reluctantly to bring its social viewpoint into line with its scientific know-how by withdrawing its objections to group medical plans.

Plans developed by trade unions and other groups to achieve the best possible health care at the lowest possible cost have demonstrated beyond any possible doubt that the group approach works—and works well. The AMA has, until its recent convention, waged a relentless fight to put these plans out of business.

But after an investigation of the type of medical care furnished by these plans, the AMA has decided to withdraw its opposition—although it still has not given group plans its active blessing and approval.

This is a heartening step, no matter how reluctantly the step was taken.

Now that the AMA has shown an inclination to enter the 20th century of medical economics, it might well consider going the rest of the way. It might reverse some of its

other social viewpoints that date from the days of witch doctors and patent medicines.

If the AMA wants to prove that it is really a 1959 model medical organization, it should withdraw its bitter opposition to proposals that health care for the Nation's aged be provided under the social security system.

[From the AFL-CIO News, July 25, 1959]

#### SICK PEOPLE NEED HELP NOW

The Eisenhower administration's approach to health care for the aged has an Alice-in-Wonderland tinge to its insistence on "individual initiative" and "thrift" by older persons who cannot afford the cost of medical care.

The House hearings on the Forand bill revealed agreement on the basic problem.

The Nation's 15 million persons aged 65 and over are growing by 1,000 a day. Three-fifths of them have less than \$1,000 a year income. They need much more medical care than other people. To get it, many are forced to go on relief.

The American Medical Association, after sparking a \$4.6 million campaign to convince the public that President Truman's national health insurance plan was "socialized medicine," is now urging physicians to offer cut-rate fees to retired people in an effort to fend off the Forand bill.

Forand bill opponents argue that Federal action would halt the sale of private insurance for the aged, something the aged can't afford anyhow, and would curtail their freedom of choosing doctors, also something they can't afford.

Organized labor and other supporters of the Forand bill have an answer: the aged need health care now and the people who will finance the Federal program as workers and consumers are willing to pay for it.

[From the White Collar, February 1960]

#### THE FORAND BILL

The Forand bill (H.R. 4700) would pay in full 60 days of hospital care for all persons eligible for old-age and survivors benefits. It would also pay for the costs of combined nursing home and hospital care up to 120 days a year in addition to certain surgical expenses. The cost of the program would be covered under the social security taxes levied on both employers and employees.

Unlike the contentions of the American Medical Association, this is not socialized medicine. It is purely an extension of the social security system to provide hospitalization and attendant services to those retired under the system including the dependent children of widows. There can be no sincere opposition to this measure.

The great majority of retired persons over 65 receiving social security benefits have no protection whatsoever at a time when their income is far too small to pay for hospital and surgical costs.

The Forand bill deserves the support of the Office Employees International Union.

[From the New York Times, Mar. 23, 1960]

PRESIDENT REFUSES TO BACK MEDICAL AID FOR AGED NOW

(By John D. Morris)

WASHINGTON, March 22.—The Secretary of Health, Education, and Welfare failed today to win President Eisenhower's support for a subsidized system of voluntary health insurance for the aged.

Secretary Arthur S. Flemming outlined his ideas for such a program at a White House meeting with the President and Republican congressional leaders. He had drafted several proposals at the suggestion of Vice President Nixon.

President Eisenhower, siding with his party leaders in Congress, ruled that the problem should be studied further before the admin-

istration decided whether to submit recommendations to Congress.

While Mr. Flemming had wanted a showdown at today's meeting, sources close to the Vice President reported that Mr. Nixon was agreeable to a reasonable delay. A spokesman said the Vice President was not backing any proposal now.

The question of health care for the elderly is rapidly becoming one of the main political issues of the presidential election year.

The main catalyst is a bill by Representative AIME J. FORAND, Democrat, of Rhode Island, to provide free hospitalization and medical care for social security pensioners. To finance this, the bill seeks to increase social security taxes.

The Eisenhower administration is vigorously opposed to the Forand bill or any other plan that could be classified as compulsory health insurance or socialized medicine. Secretary Flemming and Mr. Nixon are in accord with official administration policy on that score.

They have been pressing the White House, however, to come forward with an alternative to the Forand bill.

As the prospective Republican Presidential nominee, Mr. Nixon is said to believe that the party cannot afford to take a negative position on what has become a pressing social problem with major political implications.

Congressional sources report that the Forand bill is drawing more mail, for and against, than any other pending issue. Most of the correspondence apparently supports the measure.

Secretary Flemming is scheduled to testify on the Forand bill tomorrow before the House Ways and Means Committee. He was consequently eager to get White House support today for possible alternative recommendations.

Having failed, he is expected to tell the committee that the administration is intensively studying ways to meet the health-care needs of the aged through some system of voluntary insurance. He will reiterate the administration's opposition to the Forand bill and any other program with compulsory features.

A spokesman for the Health, Education, and Welfare Department said the approach now favored by Mr. Flemming was for a system of voluntary insurance supported largely by Federal and State financial aid.

Private companies, under the plan, would provide insurance covering the cost of hospitalization and nursing home care, and the Federal and State governments would share the major costs of the insurance premiums. The insurance would be available at the age of 65 to persons with incomes of less than \$4,000.

#### PLAN KEYED TO INCOME

The amount of Federal-State assistance on each policy would be keyed to the income of the person insured. The subsidies, on the average, would be shared between the Federal Government and the States on a 50-50 basis.

This was the only plan not specifically rejected at today's White House conference, it was understood. Among those rejected was one to finance a health insurance system by higher social security payroll taxes.

Despite much pressure from the public for favorable action, a majority of the Ways and Means Committee opposes the Forand bill. That was a factor influencing the White House decision against making alternative recommendations at this time.

Meanwhile, Mr. FORAND took a preliminary step toward forcing a vote in the House despite the committee's inaction. He introduced a resolution calling for 4 hours of debate, with amendments restricted to any that the Ways and Means Committee might propose. The resolution goes to the Rules Committee, which ordinarily originates such procedural measures.

#### PLANS DISCHARGE PETITION

Mr. FORAND said he would take the second step next week. This will be the filing of a petition to discharge the procedural resolution from the Rules Committee. If he gets 219 signatures on the petition, the bill will come to the floor.

Vice President Nixon did not participate in today's White House Conference. He is in Florida on a holiday.

An aid outlined his position to reporters today as follows:

The Vice President opposes any bill with compulsory features because it would lead to state medicine. He is against any form of state or socialized medicine.

But he thinks that attention should be given to the problem of elderly people subject to catastrophic types of illness and unable to buy insurance protection.

He has talked to Secretary Flemming on several occasions and has urged the Department to explore the problem thoroughly to see if it can devise a program with voluntary features and some governmental assistance without leading to the possible trap of socialized medicine.

[From the Grants Pass (Oreg.) Courier, Mar. 16, 1960]

#### BRIGHTER HORIZONS FOR THE AGED

It looks like the wage base on which social security withholdings are computed will rise to around \$4,800 a year, in view of the attitude of not only the Democrats in Congress but the Republicans as well, who want to go along with broader aid for the aged as a matter of policy and politics.

And as the base goes up, it provides more money and Congress is aiming to provide more liberal social security payments in this election year, the disabled will be eligible, according to many Congressmen's views, for disability payments at any age; the retired will be able to earn more annually and still draw social security checks; widows probably are due to get bigger pensions, probably a 10 percent hike; and medical aid for the aged is looming, albeit the AMA—American Medical Association—is kicking the proposal around hoping to find a proposal they can more readily countenance than the ones now in committee.

Doctors and some big insurance companies are opposing medical aid for older people, asserting it will lead to "socialized medicine and a full medical insurance program." Comes the retort by proponents of medical aid that social security was once feared on grounds it would kill off private pension plans, but it didn't. The doctors have great political weight, their organization, the American Medical Association, wields a power-packed lobby big stick and so \* \* \*.

The search is on for a compromise the doctors can support, or at least, not oppose. It is possible Congress won't get a bill over, unless it is able just to sort of get a foothold or toe-in-the-door idea that can later be used to pry open a full-blown plan for medical help for the old folks. At least it is the beginning of something long hoped for but not expected to materialize. Fact is, these issues have failed of publicity because they are so largely if not wholly, as of now, tied up in committee and consequently are being worked on quietly. But truth will out and so are machinations of the Congress on social security matters outing.

#### DOCTORS AND THE FORAND BILL

(Prepared by the AFL-CIO department of social security, Nelson H. Cruikshank, director, Jan. 2, 1960)

#### FOREWORD

In 1960 we shall be observing the 25th anniversary of social security in America.

We have made considerable progress since the days of the county poorhouse. This progress has been made despite the opposi-



tion from organized medicine to the original Social Security Act of 1935 and to subsequent major improvements.

Many public-spirited physicians have shared our regret that the voice of the medical profession has been raised so consistently with the voices of big business and the commercial insurance industry against each new form of social insurance, including the disability amendments of 1956, which have now gained general acceptance.

Today the most serious gap in our family security structure is the failure to provide payments for medical care for retired people and for families whose breadwinner has died. The Forand bill (H.R. 4700) would fill this gap.

There were congressional hearings on this bill in July 1959. Many prominent physicians, aware of the quarter-century successful operation of old-age and survivors insurance agreed with representatives of labor, professional, farmer, and welfare groups that this social security mechanism could be employed to meet the medical needs of retired people. Some of these doctors dared to speak out. They were not all in favor of the bill in its present form, and a number of them made valuable suggestions for ways of improving it. These were welcomed by Congressman FORAND and others who support the proposal.

Excerpts<sup>1</sup> from the statements of these men, all outstanding leaders in the medical profession, are contained in this leaflet. We, in labor, are indebted to these fine doctors for their support and their constructive suggestions.

James P. Dixon, Jr., M.D., commissioner of health, city of Philadelphia, 1952-59; board of directors, Hospital Council of Philadelphia, 1958-59; chairman, Program Area Committee on Medical Care, American Public Health Association, 1958; diplomate, American Board of Preventive Medicine:

"I am a director of the Hospital Council of Philadelphia and appear today on its behalf and specifically on behalf of its committee on government relations which, during the past 4 months, has been making an intensive study of the problem of financing hospital care of the needy in Pennsylvania.

"Unpaid care has become such a drain on the resources of our hospitals that the quality and the availability of hospital services are seriously threatened.

"There are currently about 250,000 people on social security in the five counties of southeastern Pennsylvania, and these people use about 36 percent of all free care given in the area's 58 hospitals. If these beneficiaries were covered by hospital insurance, a third of our free care deficits would be wiped out. State and local grants could then be applied to the remaining two-thirds, and hospitals would be financially able to devote a much larger portion of their income to improvement of services and the raising of wages.

"Under H.R. 4700, benefits would be paid to hospitals for OASDI recipients either directly from the social security trust fund, or indirectly through voluntary insurance plans.

"Such a system \* \* \* would minimize pauperism by making a means test unnecessary for obtaining benefits; it would eliminate the need for any contribution after retirement; it would spread contributions over the individual's working lifetime; it

would avoid increasing the costs of voluntary hospital insurance for the younger population because of the inclusion of aged persons; and it would appeal to State and local governments and their taxpayers, as it would tend to keep down the ever-increasing cost of health care under public assistance and State hospital aid programs.

"My experience \* \* \* as a public health executive in the city of Philadelphia brings before me continuously problems of people who are unable to receive the kind and quantity of medical care that a physician practicing in the community would judge it would be necessary for them to receive."

Morris Brand, M.D., medical director, Sidney Hillman Health Center, New York, N.Y.; William S. Hoffman, M.D., medical director, Sidney Hillman Health Center of Chicago; Joseph A. Langford, M.D., medical director, Sidney Hillman Medical Center of the Male Apparel Industry of Philadelphia; Julius Schwimmer, M.D., medical director, Amalgamated Laundry Workers Health Center of New York:

"The medical directors of the four health centers affiliated with the Amalgamated Clothing Workers of America and serving 110,000 members and spouses strongly recommend passage of the Forand bill.

"In our daily activities we are frequently confronted with the necessity of hospitalizing retired members and their spouses for surgical and nonsurgical conditions as ward cases in municipal and voluntary hospitals because they have not been able to afford hospital and surgical insurance coverage. We have cases on record to prove that retired members who have been advised to be hospitalized for such serious conditions as impending gangrene of the toes, acute thrombophlebitis of the lower extremities, and cancer of the colon were turned away by the hospitals to which we had referred the members. Such situations would not have occurred if these members had adequate personal funds or insurance coverage.

"We know of no adequate remedy for this gap in our medical coverage except an equitable system of national coverage, paid for by the worker during his years of peak earning power.

"In spite of the American Medical Association's official attitude, many physicians like ourselves support the principles of the Forand bill and want it passed."

Leo Price, M.D., Director, Union Health Center, International Ladies' Garment Workers' Union; diplomate, American Board of Preventive Medicine; member, Commission on Medical Care Plans, American Medical Association; associate clinical professor of industrial medicine, New York University:

"The Union Health Center in New York, owned and operated by the ILGWU, serves 140,000 workers in the metropolitan area, providing ambulatory care for them.

"As a rule, garment workers are not large wage earners. Our experience among our patients is that the majority earn between \$2,500 to \$3,500 a year because of the seasonal nature of the industry.

"Social security and union pensions are almost the sole sources of income for retired patients. Due to their low earnings in past years, their social security benefits do not reach the maximums and their union pensions are only \$50 to \$65 a month. Obviously, this is not enough to provide even the bare essentials of daily living, much less any additional cost for medical care. We have had evidence of their financial difficulties in medical problems by their inability to pay for low cost drugs at the center which are priced on a cost basis.

"Only a small number of people manage to carry hospitalization insurance on an individual basis after they have retired from the industry where it had previously been provided on a group insurance plan.

"Many patients are reluctant to go to municipal hospitals because of the charity atmosphere and the means test."

Frank F. Furstenberg, M.D., medical director, Sinai Hospital Outpatient Department 1951; director, Sinai Hospital Medical Care Clinic, 1947—administrative responsibility for the program of medical care for Baltimore's public relief clients assigned to Sinai; physician, Allergy Clinic, Johns Hopkins Hospital, 1939; instructor, medicine, Johns Hopkins School of Medicine, 1939; fellow, American Academy of Allergy and American Public Health Association:

"In my function as medical director of an outpatient department we see OASDI beneficiaries when they cannot get adequate medical care. I would like you to take the necessary steps to add outpatient service and comprehensive care for the beneficiaries so that the need for hospitalization will be minimized and the patient will be given preventive diagnostic service outside the hospital.

"Much depends on the rate at which you get medical care. If someone comes to an outpatient department or to a hospital emergency room and is in cardiac failure and needs to be hospitalized right away, there are no questions asked.

"But suppose the person comes with hypertension and incipient failure, and it looks as though he needs medical care but he is a transient and there is a question of indigency. There are many hospitals that will not take care of such patients until they establish eligibility, go through a means test so that the hospital can collect.

"It does not seem fair to me that OASI beneficiaries should have to be pauperized in order to get medical care or that they should have to undergo a means test to obtain medical care."

Caldwell B. Esselstyn, M.D., founder and medical director, Rip Van Winkle Clinic, Hudson, N.Y.; diplomate, American Board of Surgery; fellow, American Geriatrics Society; associate in surgery and special lecturer in preventive medicine and public health, Albany Medical College, 1950; vice president, Group Health Association of America; fellow, American Public Health Association:

"No voluntary insurance plan of any sort can create the necessary resources to provide adequate coverage for this older age group. It is just a question of trying to get blood out of a stone.

"Recently \* \* \* I had an experience with a patient who left the hospital. He was insured under the Continental Casualty program of over 65. His hospital stay over and above what he was allowed through his insurance cost him \$538.

"I think this is a very representative case of the kind of things that happen with the best there is in the over 65 policies that are being made available today.

"It is \* \* \* gratifying to see the Federal social security system used as a solution to the problem of more adequate health care for the aged, as proposed in H.R. 4700.

"Representative FORAND has very kindly invited criticism of his bill, and within the spirit of this invitation, I would like to offer \* \* \* suggestions:

"I think that the final draft of this bill must provide for ambulatory diagnostic care in nonprofit institutions.

"It should be passed complete with built-in standards and quality controls.

"The last suggestion I have to make is that certain sums of money be set aside to support and document the experience of programs demonstrating various methods of providing comprehensive care for older people.

"I think the method of remuneration of doctors, the way they are organized, has very little to do with the doctor-patient relationship.

"If the driving force of a doctor is his interest in people, it is not going to be

<sup>1</sup> The full text of the statements of the physicians cited here can be found in "Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries," hearings before the Committee on Ways and Means, House of Representatives, 86th Cong., 1st sess., on H.R. 4700, July 13 through July 17, 1959, Government Printing Office, Washington, D.C.

affected by the method of payment of the organization under which the care is provided.

"I feel very strongly that this bill would not control medical practice. It would make medical practice as the doctor wants to practice it more available."

Franz Goldmann, M.D., director, health services coordination study, Council of Jewish Federations and Welfare Funds, Inc.; associate professor emeritus, Harvard University school of public health; diplomate, American Board of Preventive Medicine; fellow, American College of Preventive Medicine:

"To look forward, one must believe in old age. If the ideal of growing old gracefully is to become a reality, if the concept of equal opportunity is to be translated into a practical plan, then individual effort must be combined with social action directed toward development of as comprehensive a health program as can be devised on the basis of present scientific knowledge and technical skill.

"To consider solely the frequency of insurance among senior citizens is to disregard the maxim 'thou shalt not worship numbers.' What counts most is the type, scope, and period of benefits covered. Senior citizens, more than any other age group, need home care by physicians, nurses and other personnel, medical and nursing services in the institution for long-term care, and drugs and appliances—benefits rarely, if at all, included in contracts—and they require full coverage of hospital care and professional services in the hospital for a much longer period than is offered by most plans at present.

"Inclusion of health benefits in OASI would be of limited value if the pattern of benefits set by most of the voluntary plans were followed and it would be open to serious question if the emphasis were placed on payment of medical bills rather than on maintenance of high standards of service. These dangers can be avoided, though.

"The bill under consideration (H.R. 4700) has three noteworthy merits: (1) It provides for service benefits, thereby affording very much better protection than that offered to the majority of the persons carrying voluntary insurance; (2) it covers the full costs of hospital service for a period of 60 days, in contrast to the large number of voluntary plans terminating full benefits after about 30 days; (3) it includes nursing home services following hospitalization for a combined total of 120 days, thereby filling a serious gap in the benefits provided by the vast majority of all voluntary plans.

"The bill is deficient in that it calls for coverage of surgical service only, whereas elderly people need nonsurgical services as much, if not more."

George Baehr, M.D., special medical consultant, Health Insurance Plan of Greater New York; member, Board of Hospitals, City of New York; president and medical director, Health Insurance Plan of Greater New York, 1950-57; trustee, New York Academy of Medicine; president, New York Academy of Medicine, 1945-49; chairman, Public Health Council, State of New York, 1955; director of clinical research, Columbia University, 1944-50:

"I am consultant to, and previously president and medical director of, the Health Insurance Plan of Greater New York, which is responsible for virtually the total personal health services of 550,000 people in New York City.

"Most nonprofit health insurance plans such as \* \* \* the Health Insurance Plan of Greater New York \* \* \* have always permitted insured persons to continue their coverage with undiminished benefits after retirement.

"But \$90 a year even for virtually total medical and surgical care for a two-person family without any extra doctors' bills at the time of illness seems to be too much to pay out of their small retirement income, especially since they must also carry the full cost of Blue Cross hospital insurance, which virtually doubles the cost.

"Only about one-third convert to individual insurance on retiring and many of these find it impossible to continue to pay the premiums after a year or two. They drop out just when they enter the years of greatest medical need. As a result, slightly less than 4 percent of HIP's 550,000 insureds are 65 years or over, whereas people of this age group constitute 9.1 percent of New York City's population. This clearly demonstrates that the privilege of converting health insurance to an individual contract after retirement will not solve the problem, even though the benefits are continued in full measure and the annual premium rate is almost the same as the group rate.

"Only through the social security mechanism can people of moderate means prepay in advance during their years of employment those high costs of hospital and nursing home care to which most people are exposed in their old age."

[From the *Machinist*, Mar. 24, 1960]

#### HOW THEY CARE FOR THEIR AGED

When the House Ways and Means Committee meets this week to consider the Forand bill to provide health care to the aged, the committee will have before it some startling evidence showing that the United States is one of the few major nations of the world without such a program. The evidence, published in a recent issue of the U.S. Government's Social Security Bulletin, was compiled by Daniel S. Greig and Carl H. Farman. This week, Ray Henry, the Associated Press social security columnist, brought the evidence to the attention of millions of newspaper readers. Here's a digest:

The United States is one of the world's few major countries without a government medical-care program for retired people collecting social security payments.

So if Congress adds such a program to social security this year—a move now being seriously considered—it won't be doing something startlingly new.

In fact, this country would be the 34th which furnishes protection against the costs of sickness to retired.

The methods the 33 countries use in providing the care vary widely, as do the methods of financing it and the types of care provided. But these general statements can be made:

The protection is usually provided to pensioners as part of a government sickness insurance or health services program which also covers employed persons.

The benefits usually include general practitioner care and sometimes specialist care, hospitalization, essential medicines, some laboratory services, and dental treatment.

The countries use four broad methods of financing the care:

1. Twelve countries require workers to contribute to sickness insurance programs which cover them both while they are working and after they retire, but no contributions need be paid after retirement.

2. Six countries provide sickness insurance coverage which requires workers to contribute both before and after they retire, but the retirement contributions usually are only a small percentage of their social security payments.

3. Four countries allow pensioners to decide for themselves whether they want medical care under the public sickness insurance program. All require contributions if pensioners ask for coverage.

4. Eight countries cover all residents—including those receiving retirement payments—under comprehensive medical-care programs. The majority of the countries finance their programs from general tax revenues.

Three countries, Canada, Ireland, and Japan, have medical-care programs covering old-age pensioners which use variations of the financing methods named.

[From the *Washington Post*, Mar. 24, 1960]

#### HEALTH AND OLD AGE

There is a distressing lack of sensibility and imagination in the administration's failure to propose some system of health insurance for the aged. The Secretary of Health, Education, and Welfare, supported by Vice President Nixon, is said to have tried zealously to win Presidential approval for an alternative to the comprehensive bill introduced by Representative ATME J. FORAND which would finance medical and hospital care for retired persons through increased social security taxes. But the President is reported to be adamantly opposed to the Forand bill, or any other insurance plan, on the ground that it would amount to socialized medicine. This bogus label applied by the propagandists of the American Medical Association to any form of prepayment for medical care is plain nonsense. It is especially dismaying to find President Eisenhower narcotized by it.

Old age is the time of life when, generally, income is lowest and potential and actual illness is at its highest. Why should it be called socialistic for Americans to provide for the health hazards of their retirement years by paying insurance premiums through taxation during their wage-earning years? This is not socialism; it is simple commonsense. It is a practical scheme for enabling citizens to face old age with confidence and self-respect—to know that they need not depend upon the charity of doctors and hospitals for whatever medical care they may require. This is no more socialistic than any other form of social security.

Apart from the obvious interest of the aged themselves in providing for the future, there is a no less obvious national interest in seeing them provided for. Senator McNAMARA's Subcommittee on Problems of the Aged and Aging offers some interesting statistics. In 15 years, it reports, the over-65 age group will increase from the current 16 million to 22 million; currently, moreover, 1 out of every 3 persons between the ages of 60 and 64 has apparent or close relative in his eighties or older—the medical care of whom represents a serious drain on income.

Insured medical care for the aged will mean more hospitals, more remuneration for physicians, better health for the Nation as a whole. Failure to see this is a failure of responsibility. What a tragedy that the AMA's myopia and callousness should have infected even the President.

[From the *New York Times*, Mar. 24, 1960]  
COMPULSORY PLAN FOR AGED OPPOSED—ADMINISTRATION IS UNITED, FLEMMING TELLS PANEL—EXPLORATION PLEDGED

(By John D. Morris)

WASHINGTON, March 23.—The Secretary of Health, Education, and Welfare told Congress today that the administration was united in its opposition to any form of compulsory health insurance for the aged.

The Secretary, Arthur S. Flemming, promised speedy explorations of possible alternatives but declined to say when recommendations might be ready.

Mr. Flemming testified at a closed session of the House Ways and Means Committee. He later made public his prepared statement and answered reporters' questions.



The Cabinet officer, adhering strictly to the Eisenhower team's rules of conduct, refused to discuss the difficulties he had met in seeking Presidential backing of an alternative program.

#### SUPPORT WITHHELD

At a White House conference yesterday he outlined his ideas for a subsidized system of voluntary health insurance for elderly persons with low incomes. President Eisenhower sided with Republican congressional leaders in withholding his support, at least for now.

Nevertheless, Mr. Flemming said on leaving the committee room, "I am pursuing this approach just as vigorously as possible."

"All the administration has endorsed is the exploration," he said.

The Secretary's testimony against any form of compulsory insurance was directed particularly at a bill sponsored by Representative AIME J. FORAND, Democrat, of Rhode Island. The measure would increase social security taxes to provide hospital and surgical care for beneficiaries under the old-age, survivors, and disability insurance system.

Mr. Flemming recommended other amendments to the Social Security Act, including disability benefits regardless of age and coverage of self-employed physicians.

#### PROPOSALS WERE CLEARED

All the proposed changes were cleared with the Republican leaders at yesterday's White House conference. Several others recommended by the Secretary were ruled "controversial" by the leaders. They consequently were not submitted to the committee today.

The committee is considering the Forand bill among proposals for social security revisions. The panel is expected to approve a number of liberalizing changes in the program, but a heavy majority is opposed to the Forand plan.

Mr. FORAND interpreted Mr. Flemming's testimony on the health insurance question as evidence of a sharp difference of opinion within the administration. He said the Secretary's statements amounted to "sweeping health insurance under the rug, at least for the balance of this session."

Secretary Flemming declined to say whether a disagreement existed in the administration or whether he had been hopeful of White House backing for his voluntary plan as recently as last week.

The Flemming proposal, as outlined by an aide, is for an insurance program financed largely by Federal and State appropriations based on the insured person's ability to pay.

Mr. Flemming told the committee that the administration had decided it was necessary to "explore further some complex issues" before devising "principles of a practical program."

He cited "the question of whether State governments, aided by the Federal Government, could provide the difference between the amount paid by the policyholders in the low-income groups and the actual cost of the policy."

"In the effort to arrive at sound conclusions," he said, "it will be necessary for us to begin immediately to consult further with experts in Government, with outside experts and groups and with State officials."

"It is, of course, not possible to predict the length of time that it will take for these consultations."

He assured the committee, however, that the explorations "will be carried forward with maximum speed."

In recommending extension of disability benefits to everyone covered by the social security insurance system, Mr. Flemming estimated that 125,000 of their dependents

were now barred by the law's limitation. The law restricts eligibility to insured workers over 50 years of age.

#### H.R. 4700

A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes

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

#### TITLE I—AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT

SEC. 101. (a) Title II of the Social Security Act is amended by adding after section 225 the following new section:

#### "Hospitalization, nursing and surgical insurance

##### "Eligibility for Insurance

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

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

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

"(4) Payments may be made for hospital services furnished under this section to an individual during his first sixty days of hospitalization in a twelve-month period that begins with the first day of the first month in which the individual received hospital services for which a payment is made under this section, and during his first sixty days of hospitalization in each succeeding twelve-month period; and for nursing home services furnished under this section to an individual if the individual is transferred to

the nursing home from the hospital, and if the services are for an illness or condition associated with that for which he received hospital services: *Provided*, That the number of days of nursing home services for which payments may be made shall, in any twelve-month period as described above, not exceed one hundred and twenty less the number of days of hospital services (in the same twelve-month period) for which payments are made under this section.

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

#### "Description of Hospital, Nursing Home, and Surgical Services

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

"(2) The term 'nursing home services' means skilled nursing care, related medical and personal services, and accompanying bed and board furnished by a facility which is equipped to provide such services, and (A) which is operated in connection with a hospital, or (B) in which such skilled nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

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

#### "Free Choice by Patient

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

"(2) Any individual referred to in paragraph (1) and (2) of subsection (a) may,

with respect to the surgical services for which payment is provided by this section, freely select the surgeon of his choice, provided that the surgeon is certified by the American Board of Surgery or by another of the American medical specialty boards in a surgical specialty field, or is a fellow of the American College of Surgeons or has been appointed to the attending surgical staff of a hospital accredited by the Joint Commission on Accreditation of Hospitals except that such specification shall not be required in cases of emergency where the life of the patient would be endangered by any delay or in such other classes of cases where these specifications are not deemed practicable by the Secretary after consultation with the Advisory Council, and except that, in the case of oral surgery, such individual may select a duly licensed dentist.

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

**"Agreement With Hospitals, Nursing Homes and Providers of Surgical Services**

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

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

"(3) An agreement with a hospital or nursing home under this section shall provide for payment, under the conditions and to the extent provided in this section, of the cost of hospital and nursing home services which are furnished individuals referred to in paragraphs (1) and (2) of subsection (a) provided that no such payment shall be made for services for which the hospital or nursing home has already been paid (excluding payments by such individuals for which reimbursement to them by the hospital has been assured); but no such agreement shall provide for payment with respect to hospital or nursing home services furnished to an individual unless the hospital or nursing home obtains written certification by the physician (if any) who referred him pursuant to subsection (c) that his hospitalization or care in the nursing home was medically necessary and, with respect to any period during which such services were furnished, written certification by such individual's attending physician during that period that such services were medically necessary. The amount of the payments under any such agreement shall be determined on the basis of the reasonable cost incurred by the hospital or nursing home for all bed patients, or, when use of such a basis is impractical for the hospital or nursing

home or inequitable to the institution or the Federal Old-Age and Survivors Insurance Trust Fund, on a reasonable equivalent basis which takes account of pertinent factors with respect to services furnished to individuals referred to in paragraphs (1) and (2) of subsection (a). Any such agreement shall preclude the hospital or nursing home with which the agreement is made from requiring payments from individuals for services, payment of the cost of which is provided by this section, after it has been notified that the cost of such services is payable from the Federal Old-Age and Survivors Insurance Trust Fund, except that it may require payments from such individuals for the additional cost of accommodations occupied by them at their request which are more expensive than semiprivate accommodations.

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

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

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

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

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

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

**"Nondisclosure of Information**

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

**"Medical and Hospital Services Under Workmen's Compensation**

"(f) The provisions of subsection (a) shall not be applicable to any services which an individual required by reason of any injury, disease, or disability on account of which such services are being received or the cost thereof paid for, or upon application therefor would be received or paid for, under a workmen's compensation law or plan of the United States or of any State, unless equitable reimbursement to the Federal Old-Age and Survivors Insurance Trust Fund for the payments hereunder with respect to such services have been made or assured pursuant to agreements or working arrangements negotiated between the Secretary and the appropriate public agency. Notwithstanding the above sentence, if (1) the individual's entitlement to receive such services (or to have the cost thereof paid for) under such a workmen's compensation law or plan is in doubt when such services are required, (2) the cost of such services is otherwise payable from the Federal Old-Age and Survivors Insurance Trust Fund pursuant to this section, and (3) the individual makes an appropriate application under such workmen's compensation law or plan and agrees, in the event that he is subsequently determined to be entitled to receive such services (or to have the cost thereof paid for) under such law, to reimburse the Federal Old-Age and Survivors Insurance Trust Fund in the amount of any loss it might suffer through its payment for such services, then the cost of such services may be paid from such Trust Fund in accordance with this section. In any case in which the cost of services is paid from the Federal Old-Age and Survivors Insurance Trust Fund pursuant to the immediately preceding sentence, or is paid from such Trust Fund with respect to any such injury, disease, or disability for which no reimbursement to such Trust Fund has been made or assured pursuant to the first sentence of this subsection, the United States shall, unless not permitted under the law of the applicable State (other than the District of Columbia) be subrogated to all rights of such individual, or of the provider of services to which payments under this section with respect to such services are made, to be paid or reimbursed pursuant to such workmen's compensation law or plan for such payments. All amounts recovered pursuant to this subsection shall be deposited in the Treasury of the United States to the credit of the Federal Old-Age and Survivors Insurance Trust Fund.

**"Regulations and Functions of Advisory Council**

"(g) All regulations specifically authorized by this section shall be prescribed by the Secretary. In administering this section, the Secretary shall consult with a National Advisory Health Council consisting of the Commissioner of Social Security, who shall



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

#### "Utilization of Private Nonprofit Organizations

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

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

subsequent payments on account of overpayments or underpayments previously made to the organization under this subsection. Such payments shall be made by the Managing Trustee of the Trust Fund on certification by the Secretary and at such time or times as the Secretary may specify and shall be made prior to audit or settlement by the General Accounting Office.

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

#### "Certifying and Disbursing Officers

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

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

#### "Adjustments in Cash Benefits

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

(b) The amendments made by subsection (a) shall be effective on the first day of the 12th calendar month after the month in which this act is enacted.

(c) Notwithstanding the provisions of section 226(a)(2) of the Social Security Act, as amended by this act, and subsection (b) of this section, applications filed under such section 226 which would otherwise be valid shall, subject to regulations of the Secretary, be considered valid even though filed more than 3 months prior to the effective date of this act, but not if filed prior to the first day of the 4th calendar month after the month in which this act is enacted.

#### TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

##### Changes in tax schedules

##### Self-Employment Income Tax

SEC. 201. (a) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) is amended to read as follows:

##### "SEC. 1401. RATE OF TAX.

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

"(1) in the case of any taxable year beginning after December 31, 1958, and before January 1, 1960, the tax shall be equal to 3½ percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1959, and before January 1, 1963, the tax shall be equal to 4½ percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1962, and before January 1, 1966, the tax shall be equal to 5½ percent of the amount of the self-employment income for such taxable year;

"(4) in the case of any taxable year beginning after December 31, 1965, and before January 1, 1969, the tax shall be equal to

6½ percent of the amount of the self-employment income for such taxable year; and

"(5) in the case of any taxable year beginning after December 31, 1968, the tax shall be equal to 7½ percent of the amount of the self-employment income for such taxable year."

#### Tax on Employees

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

##### "SEC. 3101. RATE OF TAX.

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

"(1) with respect to wages received during the calendar year 1959, the rate shall be 2½ percent;

"(2) with respect to wages received during the calendar years 1960 to 1962, both inclusive, the rate shall be 3¼ percent;

"(3) with respect to wages received during the calendar years 1963 to 1965, both inclusive, the rate shall be 3½ percent;

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

"(5) with respect to wages received after December 31, 1968, the rate shall be 4½ percent."

#### Tax on Employers

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

##### "SEC. 3111. RATE OF TAX.

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

"(1) with respect to wages paid during the calendar year 1959, the rate shall be 2½ percent;

"(2) with respect to wages paid during the calendar years 1960 to 1962, both inclusive, the rate shall be 3¼ percent;

"(3) with respect to wages paid during the calendar years 1963 to 1965, both inclusive, the rate shall be 3½ percent;

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

"(5) with respect to wages paid after December 31, 1968, the rate shall be 4½ percent."

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. CURTIS of Missouri. The gentleman you refer to, Dr. McLean, never practiced medicine.

Mr. PORTER. I have no knowledge of that. I do know that the man has been very much concerned with specific medical needs. He knows about insurance programs. I am sure that he speaks with authority on this subject.

Mr. CURTIS of Missouri. I was not doubting that, but the point was it was placed in the RECORD that the doctor was a practicing physician. He is not. I may say that the gentleman involved is very ill. I think that is also in the CONGRESSIONAL RECORD.

Mr. PORTER. You think the gentleman did not know what he was saying because he was so ill?

Mr. CURTIS of Missouri. Yes. I think there is real danger, that was the case.

Mr. PORTER. I want to read what the gentleman said.

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

Mr. PORTER. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. It may be that some of the doctors are ill through overwork.

Mr. PORTER. I think it is true that many doctors are, because their practice kept them so busy that they did not have a chance to study these matters in the way Dr. McLean has had a chance to do. I am going to read his statement.

I have letters from other doctors. I have many instigated or form letters from doctors against this bill. I find usually that the doctor who supports the bill has sat down and thought it out and expressed himself very well.

Mr. Speaker, I will be glad now to yield to the gentleman from Pennsylvania.

Mr. HOLLAND. Mr. Speaker, I want to join my colleague and commend him for making a very fine presentation of a need for health insurance for elderly citizens.

It seems strange that the President of the United States who might be said to be the No. 1 recipient of socialized medicine in the United States, aims a statement against the Forand bill. The President, since the day he entered West Point, has never had to buy an aspirin tablet. He has received free hospitalization, free medical attention, free physician's attention. The only restriction on him was to contribute the \$1.56 to the Army for subsistence during this period of time. He is on a pension, but he still enjoys all these things; his wife enjoys them; his son Major Eisenhower enjoys them; his daughter-in-law enjoys them; his three grandchildren enjoy them. All these enjoy free hospitalization and free medical care; and I say to you it is a disgrace to see 15 million elderly people in America who are trying to live on a small amount of money, who cannot enjoy the health insurance they are willing to pay for through the social security system.

In addition to that I might say we are making beggars of these people. We send them back home and tell them if they can prove before a board that their income is not enough we will get you free hospitalization through the State; and the State then pays the cost of the hospitalization that they should be able to have through a Government hospitalization policy.

I hope these 15 million people become interested.

I might add that in my district we have an organization of over 3,000 pensioners who are actively interested and working supporting the Forand bill. I have been told today that this same type of movement exists throughout the United States. I hope the politicians soon realize what they owe these 15 million elderly citizens of America who have made this country great through their toil in the past.

Mr. PORTER. I thank the gentleman for his statement.

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

Mr. PORTER. I yield.

Mr. ALFORD. I would like to ask the gentleman if he has any idea of the cost of this type of program?

Mr. PORTER. The overall cost?

Mr. ALFORD. The overall cost, the total cost.

Mr. PORTER. The overall cost, of course, comes out of the deductions from the wage earners just as social security benefits does.

Mr. ALFORD. Does the gentleman know there would be abuses, that individuals who might be extremely wealthy would benefit from this as well as those whom we feel should benefit from it? Is that not inherent in this type of legislation?

Mr. PORTER. I agree that could happen just as it happens under social security. There are many wealthy individuals receiving benefits whether or not they need them. It is an insurance program, not a welfare program. But there are many elderly people who do need it and who will need it. We must meet the need where the need exists.

Mr. ALFORD. I might say to the gentleman that, as physicians, all of us recognize the needs of all individuals and I would like to submit to the gentleman not just those individuals who are 62 or 65 years of age, or over, so far as medical care is concerned in many instances. I can say that personally as an individual having been on the front, as it were relative to this, I have never refused anyone assistance because of financial condition so far as their entitlement to medical care was concerned.

But the cost of this program is not known, I submit to the gentleman, although it has been estimated to be between \$1 billion-some odd up to perhaps \$3 billion or more. There is adequate evidence everywhere that looking to the Government for a paternal type of care is not the answer to all of our problems. I would like also to submit to the gentleman that in World War II there are actual statistics to show that many, many, in fact, close to a majority, of the turn-downs, as it were, because of physical disability were not due to disease or the lack of medical treatment but due to malnutrition.

I would like to submit to the gentleman, does he advocate that the grocery store owners of this country and the merchants of this country supply the necessary food, or that the real estate industry of this country then be called upon to do this, or is it the gentleman's position that we will go all the way to the Government for everything we get in this world?

Mr. PORTER. No. I would like to answer the gentleman's question and comment on some of his other remarks. The Government does for its people what the people cannot do for themselves, to the extent we feasibly do so. We have had a social security system now for a number of years. I know of no bills pending to do away with it, I know of no planks in anyone's political platform to do away with our social security system. This is an extension of a

tried and true system. It is a way to spread the cost, the actuarial cost, over the working years when people can afford to make the contribution so that they will be protected in their old age. You ask, do I advocate that everybody should be fed? Yes, I do, although there are ways this is being done now. I do advocate that we should recognize a thing through an established system. I want to add that the need for something to be done for our aged in regard to their catastrophic expense is not an issue between the administration and those of us in our party who would like to see the Forand bill or something like it enacted. It has been admitted by Secretary Fleming. There is a need for something to be done. The question is, What can be done? We say make use of the social security system, which is no longer controversial. It has worked wonders. We advocate extending it so far as it is feasible, and we think it is feasible to extend it.

Mr. ALFORD. May I say to the gentleman that I agree that a need is present. What we are saying, in effect, as far as my position is concerned, is, We do not always look to the social security type of program.

Mr. PORTER. If the gentleman has an alternative I would like to hear it.

Mr. ALFORD. The gentleman does recognize that those individuals who are of social security age at the present time would not have paid anything into the program?

Mr. PORTER. I recognize that.

Mr. ALFORD. As it would be instituted. It seems to me there would be a great inequity there.

Mr. PORTER. The gentleman would like to propose an amendment to take them out?

Mr. ALFORD. I would like to ask the gentleman this question: Does he believe that the free choice of physicians and medical facilities and the type of institution in which we recognize the American way would be maintained under this type of a system?

Mr. PORTER. Has the gentleman read the bill?

Mr. ALFORD. I have.

Mr. PORTER. There is a free choice.

Mr. ALFORD. The gentleman must realize, if he has studied the bill, that the alleged free choice in this bill is a misnomer. There is no choice whether or not you want this compulsory health insurance, or whether you do not.

Mr. PORTER. Is the gentleman talking about free choice of plan?

Mr. ALFORD. Free choice of the overall plan.

Mr. PORTER. It is a compulsory plan.

Mr. ALFORD. And there is no freedom of selection of doctors, hospital, and nursing facilities, only a choice of those presented to you.

Mr. PORTER. Those choices are very rationally set forth, though, and they provide a very wide scope. Certainly my friend, a doctor himself, would not want improperly certified doctors or institutions to be available for these people. You are not taking that position?



Mr. ALFORD. Absolutely not. What I am saying to the gentleman is this: I absolutely am opposed to socialized medicine. I am absolutely opposed to any bureau that would be set up here that would submit a list of names. What about those individuals that would be left off of the list and so on? I just want to submit for the Record that just because my parents may have reached the age of 65 or over, that they should not be deprived of their choice of physician or hospital facilities and so on. In other words, I think this: If we are going to socialize all of the things in one little segment, then we might as well socialize all industries and everything else.

Mr. PORTER. That is absolutely not my thought.

Mr. ALFORD. That is what the gentleman is advocating. There is no right to have free medical care, nursing and other facilities, unless the voters so choose, and I do not think that adequate time has been given under the American system for us to answer all the needs to which the gentleman has alluded. Now, the story of Federal control and regimentation is this, as I understand it: Federal administration, certification of doctors, certification of hospitals, nursing facilities, nursing homes, the fixing of fees and costs, and the promulgation of so many other regulations. Just the other day a veteran whom I believed to be entitled to hospital care, could not be taken care of because of all of the maze of regulations and so on. I submit that we should try other methods before we go to the Federal Government to call up this paternalistic type of procedure.

Mr. PORTER. I think the gentleman is on the side of the administration. He believes we should go exploring further.

Let me read from page 11 of the bill:

Such agreement shall stipulate that the rates of payment agreed on shall constitute full payment for these services. Such agreements may be made with any qualified individual, or with any association or organization authorized by the surgeons, dentists, or physicians to act in their behalf.

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

Mr. PORTER. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. The same opposition that we hear from my friend from Arkansas occurred during the days of the Workmen's Compensation Act. I was on a committee of the House of Representatives of the State of Pennsylvania and sat there for months hearing the medical profession come in and tell us that we were on the start of socialized medicine. I would like to ask the good doctor, Do you wish to have the Workmen's Compensation Act withdrawn today from the workers?

Mr. ALFORD. I want to say to my distinguished colleague that I am not an authority on that bill. What I am trying to get across to my colleague from Oregon is this: I was only injecting myself into something which I feel I know firsthand and that is that we recognize that a need is present, but we

do not recognize that we must always come to the Federal Government for the answer. That is not the American way. The way of freedom of choice, freedom of enterprise, and so on is the American way.

Mr. PORTER. Does the gentleman want to go back and undo the Workmen's Compensation Act?

Mr. ALFORD. Do you realize that a White House conference has been called on the aging problem and that we are trying to obtain answers to these many questions.

Mr. PORTER. Many conferences have been called by this administration. There is one set on water pollution in December.

Mr. ALFORD. It will be of much more value after we have the White House conference on aging from lay people and social workers, hospital workers, and physicians from all over the United States in this conference, and then we can decide more appropriately and more intelligently, may I say, what would be the best answer to this problem which we are discussing here today.

Mr. PORTER. The gentleman accuses us, those favoring the bill, of wanting to go ahead and socialize everything, yet I suppose the gentleman's position does not include wanting to go back and repeal the Social Security Act. I submit that we should look at these problems as they exist. We have done the exploring. It has been done for many, many years. This idea of further exploration is merely an attempt to delay the solution to the problem now confronting us.

Mr. HOLLAND. If the gentleman will yield, it is interesting to note that members of the AMA fought even the Red Cross and the Blue Cross insurance plans when they were first brought out. They appeared before committees against it. The AMA is a very strong organization. They donated a lot of money in the campaigns in the last few years to people who fought the plan of giving these benefits to the people.

Mr. ALFORD. If the gentleman will yield at that point, I am sorry that I was not one of the beneficiaries of that action. For the record the AMA does not enter into such campaigns.

Mr. HOLLAND. The gentleman may rest assured that I was not, either.

Mr. ALFORD. May I ask at that point, what benefits would we derive under this bill as far as the number of hospital days is concerned? Let us get down to specifics. We are talking about all the problems that involve the aging population, and I want to assure the gentleman this, I am sure that I am more sympathetic to their problem than anyone on the floor of the House today. I should like to ask the gentleman this question. Under the Forand bill what would they be entitled to, how many days of hospitalization would they be entitled to?

Mr. PORTER. The gentleman does not know?

Mr. ALFORD. The measure provides a combined total of 120 days, hospital and nursing home care, each year, but with a maximum of 60 days of hospitali-

zation. The great problem which confronts us today as far as medical care is concerned is the catastrophe that may come upon any one of us, such as a very bad automobile accident.

Mr. PORTER. The gentleman wants the bill written more broadly. Is that his point?

Mr. ALFORD. I want to submit that the Forand bill is not the answer to the problem. It may be an answer to a political problem, but it is not an answer to the medical problem. I submit to the gentleman that we should sincerely try to help the old people of this country, but we ought not to do it in a presidential year, just for campaign purposes. Let us wait until we have all the evidence in before we bring in a verdict. We have had machinery set up to do this.

Mr. PORTER. The amount of money in social security payments is not enough, in many instances, for people to live on, either. But it is the best we have been able to do under all the circumstances to date. The Forand bill has been worked out, it has been studied, by actuaries. It has been approved by many groups including many doctors. It has shortcomings, no doubt about it. But certainly it is devised to meet a particular need. You can call it political. Of course, it is political. Anything that has to do with the needs of the people of this country is political. Social security was political, workmen's compensation was political.

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

Mr. PORTER. I yield to the gentleman.

Mr. HOLLAND. First of all, the doctors have had a long, long time to work out some plan to take care of the poor and the needy. In the State of Pennsylvania we have some very large State hospitals. In addition to that, the administration at Harrisburg has to pay these hospitals—I was on the committee on appropriations, and I know—\$8.50 for every patient they bring in who cannot pay. That money is paid out from taxes; sales taxes, and locally we are paying it out of real estate taxes. I think this is the way to permit a man to keep his dignity, after he reaches old age. He can go into a hospital and get medical attention without going through all this red tape which the gentleman from Arkansas has indicated we have in the VA today. I might add this—and I am not saying this in any derogatory way at all, that in the last world war, according to the statistics, 49 percent of the boys from Arkansas who were examined were turned down either for mental or physical reasons. That is a very high percentage.

Mr. ALFORD. If the gentleman will permit me to reply, with reference to the whole problem, we recognize the need. The gentleman points up very particularly an age group that is not covered by the Forand bill. We are very sorry that such situations occur, but it shows the futility of this type of measure. The gentleman is now referring to boys 18 and 19 years of age. We are talking about people 65 years of age.

Mr. HOLLAND. I am talking about doctors. Why do the doctors take care of them for nothing?

Mr. ALFORD. May I say something about what has been said here today? We are all in good faith, but to set the record straight, may I say that my medical society has been all for the Blue Shield plan. We have had a committee looking into the fact that that coverage is not as broad as we want. That is the most important problem. We are looking for voluntary methods in this problem that would cover all the people, not just one particular group, and not cover individuals that have a million dollars and are fully able to pay; yet they would be covered just the same under the present Forand type of legislation. We think that is an inequity.

Mr. PORTER. I have a very short time left. If there is anything my friends from California or Missouri wish to say, since your party is in control, I should like to have your contribution.

Mr. CURTIS of Missouri. I have an hour following the gentleman, in which I intend to discuss this problem at considerable length.

Mr. PORTER. Very good.

Mr. HOLLAND. I should like to add one thing to what I said. We Members of Congress are enjoying socialized medicine. We have doctors and nurses to take care of us. We can go to Bethesda or Walter Reed Hospitals and get the best medical care, and all we pay for is our room. We should be the last to deny the people of America the same privileges.

Mr. PORTER. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield.

Mr. CURTIS of Missouri. The gentleman failed to distinguish between employees and other citizens. Everything he has described that a Congressman has is as an employee of the Federal Government. Most employers provide for their employees. That has nothing to do with the issue before us here.

Mr. HOLLAND. Most employers set aside a certain percentage of a man's salary, or an hour's wages, to pay for the health and hospitalization insurance that he enjoys.

Mr. PORTER. That is the Forand bill.

Mr. ALFORD. If the gentleman will yield, I want to thank the gentleman for permitting me to participate in this discussion. I appreciate it very much.

Mr. PORTER. I thank the gentleman.

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

Mr. PORTER. I yield to the gentleman from Vermont.

Mr. MEYER. I am going to support the Forand bill. I do not necessarily believe that it will provide all of the solution or even the best solution. I think some of the arguments against it are valid in part. But let us at least say that we will take a bill like the Forand bill and if necessary amend or change it, so that in the long run we will

have something that is of real service to all the people of the country.

I should also like to state that I took a poll of the people of Vermont and got a very strong sentiment in favor of doing something. I know there is objection to complete medical coverage for all, but I do believe it is the sentiment of the people of Vermont that they want something done in this respect. Just because there are objections to some phases of the Forand bill is no reason why we should not bring it out for action and get something accomplished, rather than just saying, "Let's throw it down the drain."

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

Mr. PORTER. I yield.

Mr. RHODES of Pennsylvania. I should like to say a word about our American way of life. Very often when proposals are made for a social change we hear that argument. To me, the American way of life is to make any change at any particular time the people think it best.

We cannot be proud of many things in our way of life. If you look back in the past, certainly, chattel slavery was part of our way of life. So was child labor and breadlines a part of our way of life.

In the thirties, social security became a part of our way of life. I think it is quite proper and in accord with our way of life to make any change that the times call for.

Mr. PORTER. I thank the gentleman.

#### INTEREST RATE ON LONG-TERM BONDS

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

Mr. PORTER. Gladly.

Mr. HOLIFIELD. Mr. Speaker, I thank the gentleman from Oregon for yielding to me. He has a special order on the Forand bill which is a very important subject today before our country, and I know he is going to make a good speech on that particular section.

Mr. Speaker, we have heard a great deal said about the need to raise the interest rate on long-term Government bonds, and there is a bill, as you know, pending for that purpose, that has been reported out of the Committee on Ways and Means. But we have had a very interesting development during the first 2½ months of 1960. I want to call your attention to some of the things that have been happening. I hold in my hand a January 19 statement of the Treasury Department. It shows that 91-day Treasury bills were sold at an average interest rate of 4.43 percent. I also have in my hand a statement of the Treasury Department dated Tuesday, March 22, which shows that the same kind of bills were sold to the public at 3.03 percent; in other words, 1.4 percent off, 1.4 percent less interest than just 2 months ago.

The offering of bills on January 19 was \$1 billion, in round numbers. It was oversubscribed, the applications totaling \$1,878 million; in other words, almost twice as much money was offered for these bills as was desired.

The March 22 offering was \$1,200 million. Applications ran to \$1,953 million, or a good \$753 million more than was offered by the Treasury Department and at the low interest rate of, in round numbers, 3 percent. In other words, the interest rate on 91-day notes has gone down 33½ percent in 2 months' time.

Now, let us consider the 182-day bills: On January 19 an offering of \$400 million was made and \$887 million was applied for.

Those sold at an average rate of 4.66 percent interest. Yesterday \$400 million, again practically the same amount, was offered, and \$719 million subscribed for that offering at an interest rate of 3.17 instead of 4.66, showing a drop of 1½ percent in interest or, again, a drop of 33.3 percent of the interest rate in 2 months' time.

We are down to 3-percent money on short-term bills and this bill which is pending before the Rules Committee would ask us to take off the 4.25-percent interest rate limitation on long-term bonds. Admittedly these are 91-day bills and 182-day bills, but these bills traditionally draw a higher interest rate than do long-term bonds.

Why does the Treasury not offer some long-term bonds right at this time and get an interest rate of around 3 percent? They are holding back on these although the market would absorb it and they want this 4.25 percent limitation removed, which has been on the bonds for some 30 years. We have never had to raise this rate even during World War II. We never had to raise the interest rate when we were running as much as a \$54 billion annual deficit. We did not have to raise the interest rate. In fact, the average interest rate on long-term bonds was about 2.75 percent during the time we were running a \$54 billion annual deficit.

For 4 straight years when we ran over a \$200 billion deficit we did not have to raise the interest rate. But we had a different monetary policy at that time. We had a policy where the Open Market Committee would step in and support the bond offerings on the market in case the big banks or insurance companies did not offer to buy the bonds. At this time we do not have that kind of a policy, where the Open Market Committee traditionally carried a \$4 billion or \$5 billion inventory of bonds. It is carrying an inventory now at only about \$1 billion. They will not go into the market and support the bond price because they want the bonds to sell at the highest interest level possible. Yet in spite of the fact they are not supporting it, the interest rate has dropped, dropped, and dropped, stock prices are coming down on the stock market, which means bonds will be more favorably received because people will flee from stocks to bonds where they have a guaranteed yield. In spite of the drop in the stock market and an additional desire for the bonds, they are willing to take the bonds at around an average of 3 percent.

I say this House ought to look at this trend that is occurring and it ought to consider every facet of this financial refunding operation very carefully.



Another thing I would like to say is that the Democratic Party had a platform plank which I am going to read. This is one of the planks of the Democratic Party:

The Republican debt management policy of higher interest rates serves only to benefit a few to the detriment of the general taxpayer, the small borrower, and the small- and middle-class investor in Government bonds. We pledge ourselves to a vigilant review of our debt management policy in order to reduce interest rates in the service of our common welfare.

It would be well for the Democratic Party to look at the plank in its 1956 platform, and look at the trend in the market on bonds, and be very slow in surrendering the traditional policy of the Democratic Party which has been a policy of low interest rates for the benefit of the people, and not accede to this high interest policy that is for the benefit of interest earners and not the taxpayers that have to pay the interest.

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

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

Mr. SLACK. I would like to ask this question: As I understand it, the 3 percent is on short-term bonds?

Mr. HOLIFIELD. Yes; 91- and 182-day bonds.

Mr. SLACK. The point the gentleman is making is that long-term bonds should be offered for this low interest rate, instead of pursuing the policy which they are today.

Mr. HOLIFIELD. Traditionally we have paid high interest rates for short-term bonds because they are in and out of the market; it is not a permanent investment. While the market is down I believe they should offer long-term bonds because we could sell them at a lower interest rate than we are selling the short-term bonds. This is traditionally true, of course. Whether it would be today or not I do not know, but I suggest that the Treasury would be wise to make an offering of 2 billion or 1 billion or 5 billion issues of long-term bonds and test the market and just see how it would be absorbed before they ask the Congress to remove the 4 1/4-percent interest rate which has been traditional for several decades.

Mr. SLACK. I thank the gentleman.

Mr. HOLIFIELD. I thank the gentleman from Oregon for yielding to me.

Mr. PORTER. I thank the gentleman for his statement. Certainly, in a Government such as ours, based on public opinion, this is going to be an issue in the campaign this year—how we handle our national debt and also how we provide for our aged.

#### MEDICAL AND HEALTH CARE FOR THE AGED

The SPEAKER pro tempore (Mr. GEORGE P. MILLER). Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 60 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I have placed in the RECORD at page 6320 a speech that I gave before the

American Academy of General Practice of Physicians at Kansas City, Mo. Three weeks later, I gave the same speech before the convention of Missouri Insurance Agents in St. Louis, Mo.

As I stated, when I placed this in the RECORD, I prepared the speech to be delivered to these seemingly diverse groups. In this speech, I discussed the general background of the problem our society faces on medical care and hospital care for the aged. I expressed the belief that the tremendous progress made in our American society in advancing the well-being of all our American citizens had made ineffective the demagoguery which was based on using the Federal Government as the means of transferring wealth from the "haves" to "have nots."

This belief is now being put to a more severe test than I had anticipated. I am wondering if, indeed, it is true we can have a rational, national debate on the subject of Federal spending, and in particular in this health area. Indeed, if the discussion that preceded me on the floor of the House were typical of the caliber of debate that would prevail on this subject, we could move forward in this area, because it was temperate, and it discussed the issues. Unfortunately, that is not the kind of debate we are apparently going to have.

The Committee on Ways and Means has been studying this matter for some time. I have been on the Social Security Subcommittee since 1953. I am presently the ranking Republican on the Social Security Subcommittee. There are many, many complex problems involved in this matter that need a great deal of thought as we proceed.

However, today a pressure group, which is probably the most effectively organized for political action of any group in our society, has apparently decided to use the problem of medical and hospital care for some of the aged as an issue to test whether or not this kind of demagoguery can still be used successfully in America. This group of Americans is called Americans for Democratic Action—of which the most powerful segment is the Committee on Political Education of the CIO-AFL dominated by Walter Reuther, a member of the ADA executive committee. COPE has decided to abandon the issue of the Landrum-Griffin bill for the 1960 campaign and see whether or not they can make the Forand bill which purports to meet an aspect of the problem of the medical and hospital care for the aged, do in its stead.

Many of my colleagues probably have been receiving printed 3-penny postcards which have the picture of two fine looking older people, a man and a woman, on one side and a lead quotation in biblical script "Cast me not off" on the other side. Beneath in a box is a quotation from Psalms 71 "Cast me not off in the time of old age, forsake me not when my strength faileth." Under this box is the language: "I urge you to support the Forand bill assuring real health protection to retired citizens." I have been receiving this same card from four States of the Union—Ohio, Illinois, Mis-

souri, and Michigan—as well as from my own district in the St. Louis County area. These cards essentially come through the COPE apparatus; in other words, the organized COPE leaders are leading and participating in the endeavor. These cards are being handed out to older people, of course, and some of the older people may have sent the cards in. The lobbying pressures, however, have not yet come from the older people themselves.

Coupled with the efforts of the COPE apparatus of the ADA have been the efforts of the ADA adherents in the American press. From observation over a period of years some of these members may be identified. For example, Herb Block, the cartoonist for the Washington Post, prepared a very untrue and derogatory cartoon of President Eisenhower's position on the Forand bill, which was printed in the Washington Post recently. Undoubtedly we will begin to see this cartoon reprinted in other newspapers that work with the Washington Post on ADA-sponsored programs. The reporting by certain members of the press, whom we have come to recognize as being part of this apparatus, have been slanting their news stories along this line.

Now the issue that Americans should be concerned about is how do we meet the problem that our old people have in this field of hospital and medical care. It is a serious problem. It is one that has not been completely met in our society, but I would remind my colleagues and our citizens that no society in the history of the world has ever solved this problem and that our society in the year 1960 has probably come closer to solving this problem than any other society ever has.

The progress will be even greater in the future if we do not destroy through unwise action, the programs that are already giving us this progress and that promise further progress in the immediate future.

I might say based upon the programs we now have in effect that an accurate prognostication of the future is that 80 percent of the aged over 65 will have hospitalization in the last part of 1965. The progress that has been made in the past 10 years in particular in meeting the problem of health and medical facilities for the aged has been almost miraculous. The progress in the field of medical health has been so great in these years that it has aggravated the other problem of cost. The very progress in advancing medical science, in drugs, medical and hospital care, has enabled our elder citizens to live on an average of 10 more years. This of course, aggravates the economic problem that each person faces in financing those extra 10 years of life.

Furthermore, the previous mishandling of Federal fiscal affairs by the very people who are now indulging in this blasphemous campaign—by quoting the Bible to imply that those who do not agree with this idea to solve the problems of the aged are thereby casting off the elder citizen—has probably done

more damage to these older people than any other single thing. It is this ADA group that must assume responsibility for the inflation that cut in half the purchasing power of the dollar of these people, almost all of whom are on fixed incomes. Now this group having created this damage would make it worse by interjecting the problem of health for the aged into the political arena. Through a "know nothing" propaganda campaign they are promoting further fiscal irresponsibility on the part of the Federal Government which would have further deleterious effects on the problems of our aged through inflation.

Now let us discuss the Forand bill. Does it really assure real health progress to retired citizens as the 3-penny post card, mass produced by the COPE, states? Or will it damage the progress we have made?

I think it will do damage, that it will throw us backward, and thwart the progress we have made. This is the issue. The issue should not be to get votes; it should be what program is best for our aged citizens and for our society as a whole.

H.R. 4700 would, if it became law, provide the 11 million persons eligible for OASI benefits and their 4 million dependents and survivors with up to 60 days of hospital care, a limited amount of nursing home care, and certain surgical benefits. Sufficient money to pay for this ostensibly would come from an increase in the OASDI payroll tax of one-quarter of 1 percent on the employee, and an equivalent amount on the employer.

But the proposal is discriminatory and neglects a substantial group of our aged.

There are, for example, almost 2 million men and women on old age assistance who would not be benefited by H.R. 4700.

And there are 2.5 million persons over 65 who are not receiving either OASI or OAA, and who are not currently eligible for OASI. H.R. 4700 would not benefit them either. Seven years ago I sponsored legislation which is now law to permit the retired people who were not covered under social security to receive the benefit of a retirement income credit against tax to equalize the situation between persons receiving and not receiving social security benefits which are tax exempt.

Many of these people not on social security have lower cash incomes, on the average, than the incomes of those who receive monthly OASI benefits. These are the people who are most apt to have severe financial difficulties in paying their health care costs.

Putting it another way, the persons really in need would derive no benefit whatsoever from the passage of the Forand bill.

Four million people over 65 are either employed, or wives of employed persons, and presumably are able to meet the costs of health care as well as they ever were. This represents nearly 25 percent of the total older age population, and includes many active workers employed in companies with group health insurance plans.

To sum it up, then, H.R. 4700 would do nothing for those who need it most;

and would take no account of the fact that millions of Americans don't need the limited benefits the measure proposes. But it would not cover everybody who is eligible for disability benefits, nor would the measure provide for payment to mental or tuberculosis hospitals.

In the group that would not benefit I might state are our retired teachers and many people who retired on other pension programs and who are not included in social security, primarily because they were born too soon to be covered under the social security program. These people would be completely without benefit from the proposals in the Forand bill. As I previously explained, 7 years ago I sponsored legislation which is now law to permit the members of this age group—our teachers in particular, although there are many others who are retired on pension programs other than social security—to exclude from their income the appropriate amount equivalent to the social security benefits that the social security beneficiaries are receiving.

I point that out as one individual Congressman who has been concerned about the problems of the aged and who has done something in their behalf by action such as the retirement income credit because that is now the law and our people have been receiving the benefit of it for many years.

Yet many of these are people whose cash income, this group that is not covered or mentioned in the Forand bill, is lower on the average than the incomes of those who receive monthly OASI. These are the people who are apt to have financial difficulty in paying their health-care cost.

As I have stated the persons really in need would derive no benefit whatsoever from the passage of this bill. H.R. 4700 would do nothing for those who need it the most.

Those who favor the Forand type of legislation limited, as it is, to this one aspect of our aged citizens, reason from these following premises:

First. The aged are too poor to pay for their medical care, although their medical needs are greater than those of any other age groups.

Incidentally, there is one point that should be driven home. No indigent, no poor older person in America today lacks adequate hospital or medical care if they seek it. In other words, our Community Chest agencies, our welfare programs, are taking care of the indigent. The problem is not the indigent in this particular situation. It is those who can afford to pay, those who have limited means, and those who are confronted with a catastrophic illness who find themselves in a serious plight.

The second argument advanced by those who favor the Forand type of legislation is the aged cannot get private health insurance or, if they can, the insurance is inadequate.

The third argument advanced is these problems can be solved simply by extending the social security system into the field of health care.

Before examining these assumptions and seeking to determine their validity let us look briefly at some of the general

aspects of the aged people. The Social Security Act has arbitrarily defined "old age" and despite the fact that old age is relative and based upon physiological changes, the Social Security Act bases it upon birthdays—65 for a man and 62 for a woman.

By this standard there are now some 15.5 million Americans over 65 who can be called aged. This group is living evidence that we have the finest system of scientific medicine in the world and that our standards of life are unparalleled in history.

Each year our older population will increase, and by 1970 this fortunate Nation can expect to have 20 million people over 65. But the growing number of these aged have to some extent caught us unprepared. For example, we are only beginning to understand the waste of human resources involved in the arbitrary retirement of these people because of their chronological age.

I might say one of the greatest needs in the area for reform in the social security law today is the clause that does not permit these people to engage in employment and receive their entire social security benefit entitlement if they earn more than \$1,200 a year.

And so far as these people I have been mentioning are concerned—Mr. Reuther and the organization COPE—they are the ones who have consistently resisted any liberalization of this work clause because, as they say, they want these people out of the labor market. The point I am making is this: If the COPE representatives are interested, as they now claim to be—all of a sudden, I might say—in the welfare of the aged people, why do they not direct their attention to this problem of the OASI retirement test? There is no question that if we liberalize the amount of earnings allowed, we are going to have to increase the social security tax. It is simply a question of whether or not the good that we could do by increasing the amount that a person can earn and still stay on the social security rolls will be equivalent to the social good that comes from the cost that we would have to pay through additional social security taxes. That is one of the difficult problems that the Committee on Ways and Means has to grapple with in this area, because we cannot just be Lady Bountiful and say that we love the people and that we will give them everything. We are the ones who have to face up to the fact of where do we get the money, and whom do we take the money from? And, we will be taking the money from the American people.

So millions of men and women, many as capable as they were at 40, are shelved long before they should be; long before they want to be. With retirement, cash income usually drops, and at the same time the need for health care services increases until today it is about twice that of the younger adult. It is this combination of lower income and greater need for health services that has led some well-meaning people to believe that medical care is the most critical problem besetting our aged population. In their opinion, apparently, only the Federal Government can provide an adequate answer.



Against this background let us examine the premise upon which the supporters of H.R. 4700 base their arguments. Although the health needs of our older people may be greater than those in other age groups, are the aged too poor to pay for their own medical care? The answer is that some are, but the overwhelming majority are not. We are told—and the gentleman who preceded me used these figures—that three-fifths of all people over 65 have less than \$1,000 per capita annual income. Although in one sense this is an accurate statistic, it would be hard to find a more misleading statistic. It is equally accurate and just as misleading to state that in 1957, the most recent year to which that misleading figure applies, 66.7 percent of all Americans had incomes of \$1,000 or less per year. In 1957 almost half of these persons over 14 years of age also had incomes of \$1,000 or less per year, and 47 percent of those between the ages of 14 and 65 had incomes below \$1,000 a year.

Let us just illustrate this. Suppose we organized a social club with only two requirements for membership, one, that no wives had incomes of their own and, two, that all husbands earned at least \$25,000 a year. If we use the same statistical techniques as those employed in compiling the figures of three-fifths of all our people 65 and over have less than \$1,000 annual income, we could come up with this statement, that half the members of this social club have incomes of less than \$1,000 a year. Obviously the money income figure cited by the Department of Health, Education, and Welfare for those aged 65 and over is of little help to us in considering the financial problems of the aged. Income drops after retirement, yes, but no age group is likely to have as favorable a liquid asset position as the aged, 74 percent of whom now own liquid assets of one form or another. Furthermore, the needs of the aged person are usually less; the heavy expense of raising a family are behind; for the most part homes are paid for. In fact, according to the OASI, almost 3 of every 4 beneficiary couples own their own homes; most of them free of mortgage. And the median equity in nonfarm homes for the homeowner was \$8,360; and add to that the household effects and so forth.

Only 4 percent of the aged live in the homes of relatives. A survey in 1957 by the National Opinion Research Center determined that only 9.6 percent of those interviewed would be unable to pay a medical bill of \$500.

So when we consider the financial resources of the aged we can do it sensibly only if we know how many have income from employment, social security, pensions, annuities, savings, investments, insurance, and other assets. We can only measure financial resources intelligently if we consider them in terms of family income and assets, not individual income and assets.

Then note the figures used, \$1,000 per capita when many of these people, in fact I think the majority of them, are couples. So per capita immediately becomes \$2,000 per married couple. And when we attempt to figure out the num-

ber of people who cannot afford adequate health care we must know how many already receive it from a religious group, fraternal group, through memberships in a union, as ex-seamen, as members of the Armed Forces.

And what an unfair reference to President Eisenhower the gentleman from Pennsylvania made, because President Eisenhower received all of that as a member of the Armed Forces. We in the Congress have felt that that was a proper and just thing to do.

There are those who receive benefits as professional courtesy, as members of specific religious orders, as veterans entitled to compensation and care.

We know, for instance, that 16 percent of the aged are public welfare recipients. As such under federally aided public funds program, they are eligible to receive medical care and do receive it.

We do not know the answers to questions these facts pose. Here are some things we have got to know. How much do the families of the aged help out? And how many of our older people are affluent or rich?

My point is that the economic problems of older people are not only complex and diverse but difficult to analyze precisely. Yet it is suggested that we take a serious and irreversible legislative action with tremendously important consequences, with no real guideposts.

We are being asked to grope our way through the statistical darkness on the off-chance that we will stumble into an effective solution. No one denies that there are instances of severe hardship among our older people or among any other age group, for that matter. Such cases do exist, although to what degree we can only guess. One of the great things about the social security bill that I believe our committee is going to bring out is that we are paying attention to a very serious problem involving a group of people who are totally disabled, who are below the age of 50. If you are totally disabled, it does not matter whether you are 24 or 55 or 65 or 75. That is an area to which we are directing our attention and that is an area in which I believe the Committee on Ways and Means will present some affirmative legislation to the House. That is an area, I might state, to which the administration has been giving attention.

Certainly the weight of all of the evidence seems to suggest one conclusion. The financial and health problems of the aged have been considerably exaggerated by the proponents of the Forand type of legislation, and on the basis of the facts as we presently know them, it is impossible to justify the creation of a massive Federal mechanism for compulsory national health insurance, even though the mechanism would deal only with a single and somewhat artificially determined category and one segment of our aged population.

Implicit in the thinking of those who support H.R. 4700 is the belief that the health care needs of older people can be conveniently separated from their other needs. Nothing could be a greater mistake. Some of our aged have many needs; housing and recreation; in preparation for retirement; in finding ac-

ceptance and understanding within the community; in developing new interests; in using talents and capabilities; in seeking love and affection.

As an example of how interrelated the needs of the aged can be, a former housing commissioner of the State of New York has pointed out that hospital confinement of older people could be reduced by 20 percent if adequate housing were made available for them.

How many Members of Congress realize that last year this Congress passed in the housing bill one of the greatest features to ameliorate this very problem of helping the aged. We made FHA-type loans available to private nursing homes. I may say to those who like to criticize the American Medical Association that they helped sponsor that legislation. I was the main sponsor. I went to them and asked their help on it because, I said, this area of facilities for good, adequate, safe private nursing homes is one of the greatest need of the aged people.

Furthermore, if we could get these private nursing homes we could cut health costs considerably, because the old people in many instances do not have to go to hospitals. The nursing home, which is the facility they really need, costs one-tenth of what a hospital costs. If we can build nursing homes of one floor instead of renovating old mansions of three or four stories we can cut the cost to the aged in that type of modern, up-to-date private nursing home facility.

So there are things being done. Just because there is not a propaganda machine reporting this genuine progress, there is no reason for our people to think that nothing is being done.

Further, the Nation's doctors have repeatedly stated that no person regardless of illness needs to forego a physician's service because of inability to pay. Expert medical testimony before the House Ways and Means Committee established another point. The aged have more than just individual health needs. As Dr. Frederick C. Swartz told the Ways and Means Committee:

Care for any segment of our population—the aged included—calls for a cooperative attack on the problem by nurses, doctors, hospitals, social workers, insurance companies, community leaders, and others. It requires flexibility of medical technique—an ingredient which would unquestionably vanish the moment Government establishes a health program from a blueprint calling for mass treatment . . .

In the case of the aged, their health problem primarily involves acute illness and the so-called degenerative diseases. In a very large percentage of cases, the main need is not for an expensive hospital stay or a surgical operation, but for medical care at home or in the doctor's office.

How many Members have heard of the Visiting Nurses Association? I was the only male member for a good many years of the Board of Directors of the Visiting Nurses Association in St. Louis. It involved the technique of teaching people how to care for people, old people particularly, in their homes, so that they do not have to go to a hospital or even to a private nursing home.

In other cases, the important requirement is nursing care in the patient's home, or the home of relatives. And in still others, custodial care in a nursing home or public facility may be the only answer. The point is that the medical needs of this particular segment of the aged are subject to countless variations.

The Forand bill wishes not only to assist the aged population who do not need the greatest amount of assistance but it wants to move the Federal Government into the very area of medical care where private insurance is now most effective, the area of hospitalization and surgery.

H.R. 4700 is, therefore, like a salvo of grapeshot fired at a smoke-shrouded target. It would apply to only aged persons under social security, but it would apply to them whether they needed help or not, whether they wanted help or not, whether they could use the sort of help the bill undertakes to provide.

Just as you would expect from a volley of grapeshot, most of the ammunition would be well off the aiming point—if, indeed, there is one.

Let us examine the second premise of the bill's supporters—that the aged cannot get private health insurance, or that if they can, their insurance is inadequate.

The record disproves this completely. The growth of private health insurance during the past 25 years—I would say the past 10 in particular—has been phenomenal. Today, 127 million Americans are covered, and it is significant that the amount of health insurance owned by aged people is growing at a rate faster than that of the population as a whole.

Private health insurance is not available to the aged?

Here is the answer:

There are now 37 Blue Shield plans in 34 States which offer coverage for the over-65 age group. In all but three instances, there is a companion Blue Cross plan as well.

An additional 16 Blue Shield plans, in 11 other States, have over-65 programs in various stages of development.

And more than 125 private health insurance firms—some of which are licensed in all States—offer coverage to the aged.

Health insurance benefits for the aged are provided in a number of different ways. Older active workers are, without exception, continued in group insurance plans. Most new group plans provide for continuation of benefits to retiring workers. Other group plans allow the retiring worker to convert his protection to an individual policy. Several insurers are now issuing group plans to such associations of older people as Golden Age clubs.

Most insurers continue into the later years individual contracts issued at younger ages. And contracts especially designed for older people do not require evidence of good health as a condition of eligibility. In fact, after a short probationary period, benefits are paid for loss due to preexisting conditions.

Much of this is quite recent. I may say one of the companies just started out in 1957 with a supplemental plan in Iowa, and immediately next year it extended to four additional States in 1958. In 1959 it extended it to 10 additional States

and 17 additional municipal or metropolitan areas, and in the year 1960 it looks like the extension is going to be in 20 States. The point I am getting at is a great deal of this is quite recent, but this whole program has been done almost within the past 10 years.

Finally, there are some insurers who offer health insurance contracts that become paid up at age 65.

This wide diversity of plans reflects free competition among many insurance companies which vie with one another in the effort to provide ever more adequate benefits through more efficient methods.

As for the benefits available to the aged under private health insurance, they are not significantly different from those offered to younger people.

In 1952, only 26 percent of the older age group had some form of health insurance coverage. Today, more than 43 percent—more than 6 million persons—are protected against the cost of health care, with the number of insured rising more rapidly than for any other age group.

A recent study group estimates, and I have used the figure before, that by 1965 that figure of aged covered under health insurance will be 80 percent of our aged population desiring and wanting health insurance to protect themselves. Mind you, in all of this discussion we are not talking about the poor. The poor are already taken care of. We are talking about people who can afford to pay if the insurance is available.

This growth reflects the steady expansion of the voluntary health insurance mechanism, which today provides a cushion against the financial impact of illness for nearly three out of four persons. It also reflects the intensive experimentation carried on by insurance companies, Blue Cross-Blue Shield plans, and other types of health insurance organizations toward broadening the availability and improving the quality of coverage for the aged.

The increase in coverage of those 65 and over can be expected to continue. Better than 70 percent of the total population today enjoy the benefits of voluntary health insurance.

Those who have had this protection during their working years value it, and can be expected to continue it after retirement.

This was not the case, however, with most of the present aged, who did not have this kind of protection during their working years.

The Health Insurance Association of America estimates that 65 percent of the aged needing and wanting protection will be insured by the end of this year; and as I have said this percentage will increase to 80 percent by the end of 1965; and 90 percent by 1970.

Health insurance, like medical care, cannot be dispensed on a production line basis. Health insurance is written in many forms, by many types of insurers, and with a wide variety of benefits. It is this widespread choice, which allows the buyer to select the coverage best suited to his individual needs, that provides the workable alternative to the

compulsory system called for by H.R. 4700 and other plans. On the one hand is coverage tailored to meet the individual's own, particular requirements; on the other is a rigid, single pattern of benefits which bills like the Forand bill would impose on everyone—rich or poor.

The choice is clear. The facts show that private health insurance is increasingly meeting the needs of the aged, as well as the needs of other segments in the population. To substitute a compulsory system of health insurance for a voluntary system of health insurance that has proved its ability and willingness to do the job is neither a responsible nor a sound decision, especially because in the very process of substitution we would be contributing to the demise of private health insurance. This is not a question of adding the Forand bill because of what harm it would do. If we added that, we could not foresee this increased progress in the area, and we would be going backward in solving the problem we are trying to solve.

For it is certain that those compelled by law to carry—at their own expense—the cost of national compulsory health insurance will neither be able nor anxious to carry private health policies as well.

There is the third premise of those backing such proposals as Mr. Forand's—that the health problems of the aged can be solved simply by extending the social security system into the field of health care.

As I pointed out, Mr. Speaker, these proposals fail completely to help matters for better than 4 million people—those on old-age assistance, and those ineligible for OASI benefits. Yet this is the category of the aged population most likely to include the hardship cases.

Let us examine a number of other objections to these ill-conceived bills.

Assume, if you will, that we allowed the Federal Government to control disbursement of funds under such programs, as all of them specify; that we allow an agency of the Federal Government to determine the benefits to be provided; that this agency be given the right to set rates of compensation for hospitals, nursing homes, dentists, and physicians; that this agency be empowered to audit and control its expenditures to hospitals, nursing homes, and patients; and that this agency set and enforce standards of hospital and medical care—as indeed, it would be compelled to do.

Could the Federal Government assume these responsibilities—fiscal and otherwise—without affecting the quality of medical care which it dispensed? The answer is clearly that it could not.

The Government, in such a case, would undertake to provide a service purchased from outside sources. It is inevitable that Government would tend to control the purveyors of those services, for he who pays the fiddler calls the tune.

The author of these bills disclaims that intention of meddling with the free practice of medicine. Just the same, if a single Government agency were placed



in the position of buying perhaps 10 to 20 percent of all care in the Nation's general hospitals, it takes no expert to see that this agency would possess great power to influence the operation and management of hospitals.

And possessing such power, no legislative restrictions this Congress could impose could prevent such a Government agency from wielding its power.

In the final analysis, the result of this would be that Government employees would, willy-nilly, be telling the doctors what drugs and treatment they could provide; telling the hospital administrators how to run their hospitals; telling the nursing homes what they could, and could not, do.

Whether this is the intent of H.R. 4700 or not, this certainly would be one of its effects, for as the Supreme Court of the United States has observed, "it is scarcely lack of due process for Government to regulate that which it subsidizes." Indeed the Federal Government may properly be called derelict if it does not ride herd over the money it spends.

If Government pays the bill, Government will regulate the health care it buys with public funds.

There is the matter of unnecessarily overcrowding our hospitals, which are hard pressed as it is to cope with the demands for care of our rapidly growing population. Passage of the Forand bill would mean that our hospitals would be swamped, and our doctors overwhelmed by the increased improper use that would inevitably result.

If this is not predictable, then we have learned nothing from the experience of Great Britain, of Canada, and of other nations which have experimented with national health insurance. It follows, as the night the day, that people will seek to collect a benefit for which they are paying—regardless of whether they need it or not.

The medical profession warns us that patients should be placed in hospitals, nursing homes, and other institutions only when necessary, and that the length of their stay, as well as the treatment they are given, should be governed by their medical condition, and not by the arbitrary limitations of legislation or regulations.

It is a warning that must be heeded. The relationship that exists between a doctor and his patient is an individual and private one. To disrupt it with the intruding presence of Government, to seek to substitute a collective approach for an individual approach to patient care—these are foolhardy actions.

Let me comment briefly on the cost of H.R. 4700—present and future.

It is proposed that it be met by a tax of one-quarter of 1 percent on the employer, one-quarter of 1 percent on the employee, and three-eighths of 1 percent on the self-employed.

Is that enough—even for now?

Actuarial estimates by the insurance industry are that costs under H.R. 4700 would range from about \$2 billion to \$2.4 billion for the first year of the program's operation. By 1980, according to this expert opinion, costs would range from nearly \$6 billion to more than \$7.5 bil-

lion. And that would require a level premium of from 2.32 percent to 2.97 percent of taxable payroll.

That is a far cry from the tax presently proposed.

Beyond that, Mr. Speaker, I should like to remind the Members of Congress that social security taxes are already scheduled to reach 9 percent of payroll by 1969.

The Forand bill increases—whatever they worked out to be—would be in addition to the increases already provided for by law.

According to the Department of Health, Education, and Welfare, presently authorized OASDI benefits will cost us, by the year 2050, between 10.51 percent of payroll—the Department's low estimate—and 15.96 percent of payroll—the high cost estimate.

At what point will the taxpayers rebel? Some of them are now paying more in social security taxes than they pay in income taxes. And as time goes on, and more scheduled increases are put into effect, this trend will be intensified.

The proponents of this type of legislation are suggesting, in effect, that we add to the tax burden, bit by bit, in the effort to determine how much the camel can bear.

I should like to remind them that a point can be reached at which one more straw will break the camel's back. And when that happens, we are apt to see the entire mechanism of social security jeopardized by public rebellion.

Mr. Speaker, bills like H.R. 4700 have no built-in rollback feature. They start small, as a rockslide will; and they end up as avalanches. Once a measure like the Forand bill becomes law, it is idle to wish it off the books; and once passed, no second-guessing will help.

Like Sinbad the Sailor's Old Man of the Sea, H.R. 4700 would cling to the shoulders of the American taxpayer generation after generation.

But if we passed this measure, would it remain in its present form? We would deceive ourselves to think so.

The Members of Congress would, thereafter, face continual demands for more—more expanded coverage, more elaborate benefits. And eventually, the thin end of the wedge having been duly inserted, we would reach the point where everyone—every man, woman, and child in the country—would be under a national, compulsory health insurance plan.

Many of the bill's supporters admit this openly.

For example, I heard Mr. Walter Reuther, of the UAW-CIO, state, in testimony before the Ways and Means Committee last July:

It is no secret that the UAW is officially on record as backing a program of national health insurance.

To sum up, then, Mr. Speaker, although the corpse of socialized medicine was decently buried nearly a decade ago, it is dead but it will not lie down.

H.R. 4700 is a thinly disguised attempt to resurrect it and the manner in which it is being propagandized as a 1960 election issue demonstrates it.

Furthermore, H.R. 4700 is an effort to create an irreversible mechanism for solving what is, at worst, a temporary problem. Each year, more and more of those who reach retirement age are better equipped financially to live in self-sufficiency.

They are bringing with them, into the retired years, pensions, the health insurance of their choice, property, and a social security card.

We would do them real service if we worked to prevent the erosion of their savings and income by this ceaseless inflation, and if we searched for ways of easing their heavy burden of taxation.

I believe the present programs we have for medical and hospital costs for the aged programs in which the Federal Government plays a part—the State and local government play a part, the private employer, many of our unions, our community chests, our churches, our pious citizens who believe that the commandment "Honor thy father and thy mother" still has modern application, and the old people themselves, who as a matter of dignity want to provide for themselves, play a part, are all doing well. There are devices existing in our society which will solve the problems of the aged in the financing of health care costs in the immediate future. In the last 10 years there has been three times the progress in the field of health for the aged that there has been in the social security program as a whole, in 20-plus years it has been in effect. I believe our society can solve the problem of our aged as well as many other problems that no society has ever solved before. But we are not going to solve them unless we do a lot of hard thinking and a lot of work and unless we eschew demagogery and do not throw the problem in a half-baked manner into the political arena for the purpose of getting votes at one election.

We have ready at hand the device of public assistance—locally administered and locally disbursed, on the basis of known need. We have, ready at hand and hard at work, the voluntary efforts of civic, religious, and health leaders at the community level. We have, ready at hand and operating effectively, the machinery of health insurance.

I suggest that we use them, if the evidence suggests that action must be taken.

But I remind the Members of this House that much evidence must yet be gathered.

In the effort to get the complete facts, President Eisenhower has called the White House Conference on the Aging for January 1961. This Congress has appropriated approximately \$2 million for use in preparing for the conference.

We do need more information and it certainly would be premature to consider any action until we have analyzed the more conclusive and complete information which is being gathered and will be presented next January.

To tamper with a system of private medicine that has made this the healthiest Nation in history would be rash; for if we legislate in haste, we shall repent at leisure.

Mr. Speaker, as a part of my remarks I will include an editorial from the March 24 issue of the Wall Street Journal captioned "The Helpless and the Good Society."

#### THE HELPLESS AND THE GOOD SOCIETY

When anyone—a Congressman, let us say—sees people old, sick, helpless and without the means for either medicines or care, he would be very inhuman indeed not to be moved and to cast about for a way to relieve the distress.

For unnecessary suffering is not only a personal tragedy. To men of compassion it seems also a reproach to society, and from the earliest days of civilization society has groped for ways to care for its old and its helpless. Ancient emperors tried with largesse; the feudal system tried to create an orderly place of security for every man; for centuries the church, as the one encompassing agent of society, made efforts to take on the burden of the unfortunate.

So the impulse in Congress behind such measures as the Forand bill which seek to put medical care for the aged under social security is an impulse of good will. And anyone who says the remedy is not as wise as it is charitable, which President Eisenhower has just done by opposing such compulsory measures, risks being branded as bereft of compassion.

Yet a little reflection ought to show that these measures are not merely ineffectual remedies but can defeat the very purposes intended, the proper care of the aged. If the problem were so simply solved, it would have been solved long ago.

To begin with, the proposal to put every old person under a blanket of Government paternalism overlooks the profound progress that the American society has made already in dealing with this problem. It's not smugness for Americans to recognize that, despite the individual cases of hardship, old people here today have better medical treatment and better care than ever before in history or than they do currently in countries where socialism reigns.

So the problem, for America, is first of all the problem of exceptions. Even one case is a matter of concern, but the way to attack the problem of exceptions is not with a remedy that treats all old people as wards of the State.

To do so is not only disproportionate; it is also self-defeating. The smallest calculation would show that if the Government is to undertake to pay the medical expenses for all old people in the country, the amount which can be allocated to each will be small indeed. On the one hand we will have the ridiculous situation of the Government taxing the poor to make medical payments to those able and willing to care for themselves. On the other hand, the truly helpless can receive only a pittance.

To some extent we have already got ourselves in this situation with social security anyway. A Nelson Rockefeller has no need of what the Government will pay him when he is 65, while for others the total allowance will barely keep body and soul together. It is not very intelligent, however well intentioned, to attack the problem of a relatively few indigent old people by this kind of blanket program.

But this is only a part of the difficulty. A graver matter is that the effort to blanket everyone in this paternalism—the cost of it, if one may speak of bookkeeping—diminishes the chances of the vast majority of the people to meet this problem themselves.

Here the Government has already done great injury to all the old people of this country. Reflect, for a moment, on what the deliberate, or recklessly thoughtless, policies of heavy taxation and inflation have done to those who 10 or 15 years ago set aside a substance just to meet this personal

problem. If they now find their savings or their pensions, or their insurance, inadequate to today's cost, the blame lies not with themselves but with a Government which has, by those policies, robbed them of part of their substance.

Consider, then, the millions who today are counting on the savings or the private pension plans which have proliferated out of the richness of America.

Twenty or 40 years from now they too will be old, and if the Government is honest with their money they will have no need for charity or paternalism. They will need the pittance the Government can give them only if in the meantime that same Government has robbed them further by inflation and taxes to support a costly program started to give them that pittance.

So we are brought to this. There are, and will be, individual cases of misfortune for which society must provide. That our society in many forms already does much for these cases is no argument against further efforts by private citizens, local, and State governments, or even if need be the Federal Government. And we are sure it is not this which President Eisenhower argues against. The good society will always grope for better ways to take care of those who cannot take care of themselves.

But the wise society will not confuse intentions with intelligence. It will not so order itself with vast and costly programs that in trying to relieve the hardships of the few it does injury to the efforts of the many to prepare against them.

To do that, to heap heavier burdens upon all the citizens in the name of freeing them from burdens, is not humane. And, as the world around us shows, making all the people the wards of the State is not the wise way to the good society.

Mr. Speaker, the great interest in social security legislation and improvements in the existing program make it appropriate that Secretary Flemming's prepared statement before the Ways and Means Committee on March 23 be made a matter of record and available to the membership of the House. I ask unanimous consent to include that statement as a part of my remarks.

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

There was no objection.

(The statement follows:)

STATEMENT BY ARTHUR S. FLEMMING, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE OF THE U.S. HOUSE OF REPRESENTATIVES, MARCH 23, 1960

Mr. Chairman and members of the committee, first of all this morning, I would like to discuss with your committee some changes in the old age, survivors, and disability insurance provisions of the Social Security Act, that the administration desires to recommend.

We recommend removing the age-50 limitation on the payment of disability insurance benefits.

About 250,000 people—125,000 disabled workers and 125,000 dependents of these workers—would be made immediately eligible for benefits by this provision. This would mean additional benefits of about \$200 million in 1961, increasing in the future to an average of over \$600 million a year.

We also recommend changes in the disability program discussed with your committee last week. They are: (1) a proposal for eliminating the second 6-month waiting period for applicants with a previous period of disability; (2) a proposal for extending a 6-month trial work period to those who are not

under State rehabilitation programs; (3) a proposal for authorizing the Secretary of Health, Education, and Welfare to reverse unfavorable disability determinations by the States, provided applicants request reconsideration of such decisions. The last provision is necessary in this nationwide program in order to provide full assurance of a reasonable degree of uniformity in the determination of rights to benefits in the various States. It would also speed up the processing of some cases and avoid needless and time-consuming appeals.

We recommend also that the benefit for each child of a deceased worker be increased to three-fourths of the worker's benefit amount.

The present law provides that in a survivor case the benefit payable to a child is one-half of what the worker's benefit amount would have been, plus one-fourth of the worker's benefit amount divided by the number of children getting benefits. If there are two children, for example, each child is eligible for a benefit equal to one-half plus one-eighth, namely five-eighths, of the worker's amount. And even though one child goes to work and has his benefit withheld, the other child is still not eligible for the full three-quarter benefit.

About 900,000 children would get benefit increases immediately as a result of this proposal. This would mean additional benefits of about \$60 million in 1961, increasing later to an average of about \$65 million a year.

Another change that we recommend at this time is to provide benefits for the survivors of people who died fully insured before 1940.

In recent years amendments to the law have usually made eligible not only those who in the future meet certain conditions but also those who met comparable conditions in the past. This was not done, however, in the case of survivors of persons who died prior to 1940.

We believe it would be desirable to apply to this group left out in the 1939 amendments the principle of retroactivity which has been generally applied in the more recent amendments. There are about 25,000 widows 75 years of age and over who would be made eligible for benefits by this proposal. This would mean additional benefits of about \$10 million in 1961 for this group.

Another proposal we recommend that would enable more people to qualify for benefits is one that would remedy the situation in present law under which a widow and her children are denied benefits because of a defect in a marriage that she entered into in good faith and believed to be valid.

We also recommend five extensions of coverage under the old age, survivors, and disability insurance program. We propose—

1. That coverage be extended to include services (other than domestic services) performed by a parent for a son or daughter.
2. That coverage be made available to policemen and firemen under State or local retirement systems in all States.
3. That coverage be extended to self-employed physicians on the same basis as that applicable to self-employed people now covered.
4. That the protection of the program be extended to employees and self-employed people in Guam.
5. That nonprofit organizations be permitted to extend coverage to employees who want to be covered without requiring that two-thirds of the employees of the organization consent to be covered. All new employees would be covered compulsorily as under present law.

These changes which I have proposed would constitute a significant advance in the old-age, survivors, and disability insurance program.

I now want to discuss the cost of medical care for the aged.



In approaching this problem I feel that we should keep in mind the developments that have taken place on two fronts.

First of all, there are the very significant steps that the Federal Government has taken in recent years to help deal with the hazards of old age.

The number of persons who benefit from the old-age, survivors, and disability insurance program has increased very materially. At the same time there has been a marked increase in the payments to the beneficiaries. Payments under the old-age assistance program, including medical services, have been liberalized. There has been a sharp increase in the funds the Federal Government has made available for medical research. More and more of these funds are being directed toward problems of the aging. The Hill-Burton program of course has benefited persons of all ages in providing more adequate hospital and other health care facilities. Provision has now been made for providing for FHA type of guarantee for the construction of private nursing home facilities. This could prove to be a significant advancement in dealing with the problem of health facilities and health costs of the aged. Congress has made provision for a White House Conference on Aging in January 1961, at which all problems in this area will be discussed by citizens groups representing all walks of life.

In the second place there are the very significant advances that have been made in recent years in extending the benefits of health insurance to people 65 years of age and over.

We estimate that approximately 42 percent of the persons in this age group now have some protection against the cost of hospital care. While we do not have precise data, I think it is safe to say that approximately 6½ million aged persons currently have some health insurance. Contrast this figure with that for 1952 when it was estimated that only slightly more than 3 million aged persons had any coverage of this kind.

Blue Cross and Blue Shield plans have been extending their benefits and improving their coverage. Several insurance companies have aggressively entered the field to provide better protection to aged individuals.

For example, Blue Cross which operates all over the country has taken various steps to assure that persons age 65 and over are offered the opportunity of obtaining protection against the cost of hospital care. Most local Blue Cross plans provide periodically for "open enrollment" when individuals of any age may subscribe for hospital coverage. Additionally more and more Blue Cross plans are extending the time during which they will pay hospital benefits.

While all the 68 Blue Shield plans will continue coverage after age 65 for persons who have been enrolled before that age, there are 32 plans that now have no age limit for initial enrollment, and 2 others permit enrollment up to age 70. In addition, 25 other plans have similar programs for the aged either approved or in various stages of development.

Insurance companies also have been working to make health insurance available to older people. There is considerable variation in what policies cover and in the benefits they provide. It is difficult to generalize on the protection offered to the aged under insurance company policies. However, the significant fact is that more and more companies are offering group and individual coverage to the aged against the cost of nominal hospital, surgical, and in-hospital medical expenses. Additionally, some insurance companies have recently introduced or will soon present policies that will provide protection against catastrophic cost of long-term or other expensive illnesses.

In addition, more and more employers are extending the benefits of group health insurance to retired persons and their dependents. In many cases the employers are paying all or a substantial part of the cost of the group plan.

In testifying before the members of this committee on July 13, 1959, in opposition to H.R. 4700, I made the following statement:

"Enactment of H.R. 4700 would have far-reaching and irrevocable consequences. It would establish a course from which there would be no turning back. The opportunity for continued growth in coverage and adequacy of voluntary health insurance for the aged would be stifled before its full potential could be gaged. The pattern of health coverage of the aged would have become frozen in a vast and uniform governmental system, foreclosing future opportunity for private groups—nonprofit and commercial—to demonstrate their capacity to deal with the problem."

In the light of all of the developments I have just identified, we are all the more convinced that it would be very unwise for our Government to take any step that would lead to such a result.

Since appearing before the committee last year, we have given consideration to the question of using a payroll tax in order to provide more of the aged with better protection against the risk of catastrophic illnesses. We have decided that even a restricted program of this kind would be subject to the same fundamental objections that we have made to H.R. 4700.

Therefore, I want to make it clear that as an administration, we will oppose any program of compulsory health insurance.

At the same time I desire to emphasize again that I believe that continued progress in the direction of covering an increasingly large percentage of the aged by voluntary hospital insurance programs will still leave us with serious problems. There will still be aged persons whose policies provide inadequate protection. Also there will still be aged persons who will have no protection but who would be willing to participate in voluntary programs if provided with policies at rates that they could afford to pay. This administration—indeed all thoughtful citizens—are acutely aware of the need for approaching these problems with a sense of urgency. But we are no less aware of the necessity for seeking and finding solutions that are sound and that expedite rather than impede the progress we all desire.

We have been investigating, therefore, the feasibility of a program that would help accelerate rather than impede the present voluntary approach to this problem. In these studies we have been keeping in mind the following guiding principles:

1. That there should be no compulsion on anyone to participate in any health insurance program.
2. That there should be no action taken by anyone that would tend to stifle private initiative in the health insurance field. Anything done in this area should build on—and not undermine or replace with a Federal system—the excellent progress that is now being made by private effort.
3. That we should strive to strengthen and stimulate our existing private system so as to foster additional progress—both in terms of scope of protection and numbers of persons protected.
4. That we should preserve and strengthen the private relationships which now characterize the rendering of health care services.
5. That all aged persons should have the opportunity of participating in any program that might be developed.
6. That there should be available to the aged—particularly in the low income groups—protection against the severest burden of health care costs, namely, the financially catastrophic cost of institutional

care in connection with long-term and other very expensive illnesses.

Before arriving at a final conclusion as to whether the Federal Government can devise within this framework of principles a practical program, it is going to be necessary for us to explore further some complex issues.

For example, we have been considering methods of relating to his income the amount of money that each voluntary participant would contribute to the cost of an insurance policy. We have been analyzing possible plans under which persons in the lowest income group would make a very small contribution and then the contribution would increase up to a given level of income. Beyond this level the policy holder would be expected to pay the full premium costs.

Also we have been exploring the question of whether State governments, aided by the Federal Government, could provide the difference between the amount paid by the policyholders in the low income groups and the actual cost of the policy. In exploring this aspect of the matter, emphasis is being placed on having the States carry their fair share of the total burden.

We have also been endeavoring to identify the various factors that must be considered in determining the minimum level of protection which the States must provide in order to qualify for Federal matching funds. In exploring this question, we are keeping in mind the fact that the States would be authorized to contract with private groups for the insurance.

Also we are considering the impact of any plan on the quality and availability of health services.

We have not reached a conclusion as to the best manner in which to deal with such basic issues as these. In the effort to arrive at sound conclusions, it will be necessary for us to begin immediately to consult further with experts in Government, with outside experts and groups, and with State officials. It is, of course, not possible to predict the length of time that it will take for these consultations. Moreover, I am not now in a position to predict how long it will take to resolve the basic issues I have just identified and any others that may arise. Deeply sensitive as the administration is, and as I know this committee is, to the human issues here involved, I can assure you that these explorations will be carried forward with maximum speed.

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

Mr. CURTIS of Missouri. I yield to the gentleman from California.

Mr. UTT. Mr. Speaker, I would like to commend my distinguished committee colleague from Missouri, Mr. CURTIS, for the very able and knowledgeable remarks he is making on the subject of the problems confronting our Nation and its citizens. I will assert from personal knowledge that I know the gentleman from Missouri has diligently directed his energies to finding workable answers to these problems without the needless abandonment of our free enterprise way of life which every American cherishes. The responsible and constructive attitude that he is evidencing by his remarks this afternoon lend encouragement that through his able efforts and through the able efforts of others of us who are working to solve these problems we can find their sound solution.

In our endeavors toward these objectives it is important that we not approve a program that would destroy the very great progress that has already been made in helping our aged citizens

not only meet their health care needs but also their other economic and social requirements.

It is basic that once a social program has been established, that program is never erased even though experience may prove it to be a mistake in major part. It is also true that government can give to its citizens only that which it has first taken from its citizens. Therefore, the Congress in seeking to ameliorate the problems of one segment of our citizenry must be sentient of the effect of congressional action on our entire citizenry. It is also essential that we examine not only the immediate implications of a proposed legislative cure, but we must also examine its long-range implications.

In recent days I have noticed in the press and elsewhere criticism of the administration for not having a total solution today to a problem that has existed and challenged the minds of men since the beginning of organized society—namely adequate provision for the aged including their health care problems. This unwarranted criticism has chosen to overlook or has been deliberately unmindful of the outstanding progress that has been made by the present administration to this end. As examples of this progress I cite the following irrefutable facts:

In 1952 the last year prior to the present administration coming into power there were 5 million beneficiaries under the old-age and survivors insurance program contrasted with 13.7 million in 1959 including 460,000 who were receiving disability insurance benefits. The average monthly benefit paid to an old-age recipient under the OASI program in 1952 was \$19.25 contrasted with an average monthly payment of \$72.78 in 1959.

The range of benefit payments provided under the law in 1952 was a minimum and maximum of \$25 to \$85 compared with the 1959 range of \$33 to \$127. The family maximum benefit in 1952 was \$168.75 compared with \$254 in 1959.

The number of jobs covered under social security in 1952 was 48.8 million compared with more than 58 million in 1959.

The public assistance titles of the Social Security Act have also been improved and liberalized in the intervening years since 1952 to include improved welfare services, expanding medical care provisions, and a substantially increased Federal participation in the financing of augmented benefits.

In 1952 \$1.5 billion was spent in old-age assistance payments of which 52.7 percent was Federal funds. The average payment in December 1952 was \$50.90. In 1959 \$1.9 billion was spent for old-age assistance payments of which 58.8 percent was Federal money. The average payment in December 1959 was \$65.86.

In terms of medical care for the aged, medical payments under the old-age assistance program in 1952 amounted to \$51.9 million and in 1959 amounted to \$218.9 million. In June 1952 20 States had programs providing for vendor medical payments, and in June 1959, 41 States had such a program.

Medical research grants under Federal programs amounted to \$18.2 mil-

lion in 1952 and \$141.4 million in 1959 with increasing emphasis devoted to problems of the aged in the latter period.

The Secretary of Health, Education, and Welfare, Mr. Flemming, highlighted the progress that has been made in this area at the time of his appearance before the Committee on Ways and Means on March 23, 1960. At that time Mr. Flemming stated the following:

The number of persons who benefit from the old age, survivors, and disability insurance program has increased very materially. At the same time there has been a marked increase in the payments to the beneficiaries. Payments under the old-age assistance program, including medical services, have been liberalized. There has been a sharp increase in the funds the Federal Government has made available for medical research. More and more of these funds are being directed toward problems of the aging. The Hill-Burton program of course has benefited persons of all ages in providing more adequate hospital and other health care facilities. Provision has now been made for providing for FHA type of guarantee for the construction of private nursing home facilities. This could prove to be a significant advancement in dealing with the problem of health facilities and health costs of the aged. Congress has made provision for a White House Conference on Aging in January 1961, at which all problems in this area will be discussed by citizens groups representing all walks of life.

Mr. Speaker, the fact that a Government solution to the health problems of the aged is not now available should not be characterized in terms of willful neglect or culpability on the part of responsible Government officials. The absence of a solution does not indicate negligence or indifference on the part of these officials but instead is testimony to the difficulty and magnitude of the problem under consideration.

A solution has been proposed by certain of our colleagues serving in the Congress. This solution was originally sponsored by my able committee colleague from Rhode Island [Mr. FORAND]. I recognize that he has conscientiously advocated the provisions of his bill, H.R. 4700, which would provide surgical, hospital, and nursing home care to present beneficiaries of the OASI program to be paid for by the imposition of a compulsory payroll tax on the presently working population. It is my conviction, Mr. Speaker, that Mr. FORAND's conviction is unwise and unsound. Its enactment would in my judgment create more problems than it answers.

I would make these observations in regard to the so-called Forand proposal:

This is an election year but in the interest of preserving the soundness of our social security system, amendments to the act should not be an election subject. Everyone wants to see our aged citizens get everything in life that it is feasible to provide them with under our free enterprise system. Unfortunately, there are by definition no economic goods and services that are free—someone has to pay. That is true in private enterprise and perhaps even more true in Government enterprise because of the higher cost that usually attends Government endeavors.

It is conceded that to some unascertained extent a problem does exist in

connection with health care for our aged citizens. However, I submit that the health care problem is not peculiar to the aged; it frequently is just as acute in the case of individuals and families who have not reached retirement age.

The recognition of the existence of a problem does not of itself establish the obligation of the Federal Government to undertake to provide a definitive answer. Authorities who are knowledgeable of the problems confronting the aged generally recognize that caring for our older citizens calls for cooperative endeavors of family members, insurance companies, professional practitioners, churches, community endeavors, and society generally.

Mr. FORAND's proposal does not supply a workable answer to the problem of providing for the health needs of the aged. The problem is essentially outside the framework of the social security program as it is now constituted and its inclusion would inevitably serve to weaken the retirement and survivorship aspects of the existing benefit system. I am convinced that those who are most constructively interested in the social security system are not those who seek its overexpansion but instead are those who work to safeguard it from the assumption of obligations that could weaken or destroy the system.

I am mindful of the fact that health care requirements generally increase with age but I am also mindful of the tremendous progress that has been made in recent years toward providing for those requirements under free enterprise and without Government domination. American medicine has placed health care and professional services before economic considerations in providing for the indigent of all ages. The insurance industry is striving to deal effectively with the increasing demand for health care financing for the aged. It is significant to note that in regard to the aged the number with health insurance protection is rising more rapidly than for any other age group. Almost half of our aged population now has health insurance. Furthermore it is projected that the size of this insured group will rise to approximately 90 percent of those who need and want this protection by the year 1970. Doctors have taken formal action in their professional societies to guarantee medical services to the indigent and at half price to the aged generally.

For a number of reasons, not the least of which is inflation, some 18 percent of the aged are public welfare recipients under federally aided public assistance programs. As such these individuals are eligible to receive health care under present programs. In addition, a large segment of our aged population is eligible to receive medical assistance from the Veterans' Administration, military and other Government agencies as well as from private sources.

Today upward of 125 million Americans are protected against illness through some form of voluntary health insurance and through voluntary protection against wage loss due to disability. It is to be regretted that this



protection does not cover 100 percent of our population but it must be realized that Mr. Forand's proposal does not provide protection to 100 percent of our population either.

In fact the Forand bill discriminates against those who through no fault of their own are excluded from the protection of the OASDI program. Our aged population today includes approximately 15.5 million people and 4 million of those people would be ineligible for the benefits under the Forand bill. It also discriminates against the millions of Americans along with their families who today are in the Nation's working force and who have just as real economic problems as the aged. The Forand bill with its statutory limitation on duration of services fails to take care of the catastrophe situation which is the real problem in the health care area.

It is inevitable that if we launch into a Forand type program, pressures will be brought to bear in future years which will lead us to a sweeping, all-inclusive, Government-operated national health program. Such a program would involve the expenditure of vast sums of money, certainly upwards of \$20 billion annually.

Such an expenditure would be reflected in the cost of doing business and would cause rising prices so that our domestic producers would be less able to compete in domestic and world markets. The inflationary consequences of this rise in the general price level would adversely affect all Americans and would particularly strike at the very age group that the Forand bill purports to help. As I said, someone pays for what anybody gets, and the Federal Government must maintain supervision over the expenditure by Government of the tax money taken from its citizens.

A massive Government supervised health program is one more step and a major one in the direction of a regimented economy. The inflationary consequences of this proposal carried to its logical extreme would rob the aged in terms of purchasing power of their savings, insurance, bonds, and other liquid assets.

In the 20th annual report of the trustees of the social security trust funds we find that the OASI fund operated at an annual deficit in the 3 years 1957 through 1959. A modest increase in the fund of \$62 million is projected for calendar year 1960 but this surplus balance is projected only on the assumption of a \$2½ billion increase in tax contributions compared to a \$0.9 billion increase in benefit payments. This greater increase in tax contributions over benefit payments projected for 1960 is at variance with the actual experience in 1959 when tax contributions increased only \$0.5 billion compared with an increase in benefit outgo of \$1.5 billion. This may be true even taking into account the increase in OASI taxes that occurred on January 1, 1960. The membership of this committee is well aware of the fluctuations that can occur with respect to social security income and outgo and we must guard against doing anything that would threaten to impair further the

solvency of the existing program. The status of the OASI trust fund at the present time is insufficient to pay 2 years' benefits. Therefore, liberalizations enacted today must inevitably be paid for by tomorrow's taxes.

We all have knowledge of the crowded condition presently existing in hospitals in some areas of our Nation. If we launch a program of Government health insurance at this time, we will be seriously aggravating the current bed shortage by prolonging hospital stays and by the overutilization of hospitals by individuals who could adequately be cared for on an outpatient basis or through other procedures. Overutilization of medical facilities has been the experience in every country launching a national health program. In the United States the experience with governmentally provided hospitalization has demonstrated that the average stay per patient in Federal Government hospitals ranges up to 4.5 times as long as average stays in non-Government hospitals.

The Forand proposal would tax our working population to pay hospital and other health care costs for our aged citizens regardless of their economic circumstances, be they wealthy, poor, or in between. The bill provides for an increase in social security taxes of ¼ of 1 percent each on employees and employers on wages from employment and ⅓ of 1 percent on self-employment. Social security taxes under existing law and without further changes are already scheduled to reach 9 percent of payroll in 1969.

Responsible actuarial estimates in regard to the Forand proposal clearly indicate that the program would be underfinanced by the schedule of tax increases provided in the bill. Testimony was presented to the Committee on Ways and Means during our hearings last year on this legislation pointing out that the first year cost of the program would be in excess of \$2 billion and that by the year 1980 the annual costs would range from \$6 to \$7.5 billion. The necessary increase in social security taxes to cover such costs would very likely serve to preclude other meritorious liberalizations of the Social Security Act. The health care features of the Forand proposal would virtually rule out the possibility of cash benefit increases, liberalization of the retirement test, and the elimination of inequities in existing law. Also, this legislation would for the first time deny to an individual the freedom to choose how he will use his social security benefit dollars. The bill would exact taxes at the same rate from all working individuals but would pay differing benefit amounts for medical care services in the various geographical locations of our Nation.

In 1958 the Congress passed legislation creating the White House Conference on the Aging. Congress already has or will be called upon to appropriate taxpayers' money for this enterprise to the extent of approximately \$2 million. Thousands of informed citizens are now busily engaged in State conferences on this subject. It is expected that 3,000 delegates will attend the National Conference to

be held in Washington, D.C., next January. The persons participating in this Conference bring experience and ability to their undertakings in behalf of defining and finding solutions to the problems of the aged. To enact a health care program at this time, from which there would be no retreat, would serve to preempt the worthwhile endeavors involved in the White House Conference on the Aging.

For the benefit of interested persons, I would briefly summarize the objections to H.R. 4700 as follows:

1. The Forand amendment is discriminatory. It would tax present workers with little or no regard for their ability to pay and would pay benefits to the aged regardless of their economic circumstances, be they rich, poor, or in between. It excludes 4 million of our aged population who through no fault of their own are denied social security protection. It also excludes the millions of Americans in the working force along with their families who may have just as urgent medical-economic problems as the aged. The proposal falls short of providing for the catastrophe situation.

2. The Forand amendment is unsoundly financed. The tax increases provided in the Forand proposal would increase existing social security taxes by 1969 to 9½ percent with respect to the employed and 6¾ percent on the self-employed. Even these high taxes would be inadequate to pay the costs of the social security system if it included a Forand type health program. Responsible actuarial authorities estimate that the Forand bill is 100 percent underfinanced and project cost estimates for the first year of operation at \$2 billion and the annual cost in 1980 of from \$6 to \$7.5 billion. The existing social security trust fund operated in the red in the 3 years 1957-59 and is in only marginal balance for 1960. The amount of the OASI trust fund is insufficient to pay 2 years' benefits. The Congress must maintain the trust fund in such condition as to assure its ability to perform its intended mission of paying retirement and survivorship cash benefits.

3. The problem of health insurance is essentially outside the framework of the existing old-age, survivors, and disability insurance program. Those who are most constructively interested in the social security system are not those who seek its over-expansion but instead are those who work to safeguard it from the assumption of obligations that could weaken or destroy the system.

4. The Forand amendment disregards the progress that has been made in recent years by the medical profession and the insurance industry to provide health care to the aged. Doctors have formally acted in their professional societies to guarantee medical services to the indigent and at half price to the aged generally. The insurance industry is offering a variety of policies providing health cost protection to the aged. Today almost half of our aged population has health insurance. By 1970 the size of the protected percentage is expected to increase to approximately 90 percent of the aged who need and want such coverage. The Forand proposal would impair these effective voluntary endeavors to solve this problem.

5. The Forand proposal would tend to increase inflationary pressures. The taxes and expenditures caused by the Forand amendment would be reflected in rising prices. This would adversely affect all Americans. It would impair the job security for the present workingman. It would particularly strike at the aged group it purports to help by impairing the purchasing power of their savings, insurance, bonds, and other liquid assets.

6. The Forand amendment would operate to preclude meritorious liberalizations and improvements in existing law by substantially increasing social security taxes solely for health care. The financing costs of the health care features of the Forand proposal would be so great as to rule out any possibility of cash benefit increases, liberalization of the retirement test, and the elimination of existing inequities in the law. The Forand proposal would also for the first time deny to an individual the freedom to choose how he will use his social security benefit dollar. In addition working individuals would be taxed at the same rate under the bill but benefit amounts for medical care services would vary according to geographical location in our Nation.

7. The Forand proposal would preempt the work now in progress of the White House Conference on the Aging. In 1958 Congress authorized the establishment of a White House Conference To Study Problems of the Aging for which approximately \$2 million will be appropriated. Thousands of informed citizens are already at this task and 3,000 delegates will attend the National Conference to be held in Washington, D.C., next January. The participating conferees bring experience and ability to their undertaking to define and find solutions to the problems of the aged. The law prescribes that the Conference shall report to the President by April 9, 1961, and it is expected that recommendations to the Congress would be forthcoming shortly thereafter.

Mr. Speaker, it has been alleged that the distinguished Secretary of Health, Education, and Welfare, the Honorable Arthur S. Flemming, in his appearance before the Committee on Ways and Means on March 22, had breached a promise he had made to the committee last year to have a health care plan to submit to the Congress with the convening of the second session. So that the record may be accurately stated on this point I will place in the *RECORD* as a part of my remarks what the Secretary said last year on this subject. This extract is taken from page 13 of the hearings on H.R. 4700 held by the Committee on Ways and Means in July 1959:

Secretary FLEMMING. Congressman FORAND, first of all, may I comment on your comments relative to the delay in the reports that have been submitted?

I think that I should personally assume responsibility for the delays. As you know, I took office last August. I regard this as one of the most important issues that confronts the Government, both the executive and legislative branch, and I have personally tried to take time, first of all, to get acquainted with the contents of the report that was submitted to you, and in the second place I have tried to look at all of the possibilities in connection with the solution of what I recognize, as you recognize, to be a very real problem.

I can assure you that as far as the additional studies that are referred to in my statement are concerned that they will be given my personal attention and I will certainly endeavor to bring them to a conclusion just as rapidly as possible.

My hope would be certainly that they would be available to the Congress when it comes into the second session of this particular Congress.

Now, as far as the administration of a program such as is envisioned by H.R. 4700 is concerned, I think that we do have to keep in mind the fact that this would be a new departure as far as social insurance is concerned.

In the letter that I transmitted to the committee, giving our views on this particular bill, I said this:

"Such a system"—that is, the one envisioned by this bill—"in order to meet the objective of adequate coverage of the risk in an economical manner, must be designed to meet all or substantially all of the costs of those services which the system undertakes to provide. In this significant respect, the compulsory health insurance under H.R. 4700 differs from the old-age, survivors and disability insurance program which contemplates, and in fact provides, an incentive for supplementation of a basic floor of protection through individual incentive and thrift and private insurance."

Then a little later on, I indicate that this program would have far-reaching and irrevocable consequences.

On top of the last page of my letter I indicate this:

"Such foreclosure of future opportunity for private efforts to demonstrate their capacity to deal with the problem would require far more convincing justification than is afforded by present evidence that non-profit and commercial insurance cannot meet the need. It would demand, moreover, the payment of an additional price in the form of governmental intervention into arrangements that are on the whole better left within the framework of nongovernmental action."

Then I proceed to list some of the new types of administrative problems that would confront the Government if we move in this direction.

This extract clearly indicates that the Secretary had hoped that he would be able to recommend a sound solution; it does not indicate a promise to recklessly advocate something just for the sake of making a recommendation. The statement does indicate the very genuine desire of the administration to develop in a proper way the clear definition of Government's role in contributing to the alleviation of the problem.

Mr. Speaker, it is my view that organized labor is again rendering a disservice to the union membership and to the American people through its political pressures in behalf of the clearly unsound Forand proposal. As I have demonstrated, the labor-boss led advocacy of H.R. 4700 is in total disregard of the facts. The labor bosses are supporting this discriminatory solution fraught with inflationary overtones that is unsoundly financed to conceal the failure of the labor movement to constructively contribute to a solution to the health needs of our aged citizens.

Mr. Speaker, opposition to the Forand bill should not and cannot be construed to constitute indifference to a solution to the health problems of not only our aged citizens but indeed of all of our citizens. In my judgment the opposition to the Forand proposal should instead be construed as indicating a determination to find a proper solution to the problem and an unwillingness to engage in a reckless or a dangerous action. I am sure that there is no responsible official of Government in the executive branch and in the legislative branch who will not work diligently to this end. The solution will not be developed on the basis of political propaganda and pressure. The solution will not be developed by distorting or disregarding all the facts which bear on this challenging and complex issue. The solution will not be developed on the basis of a partisan approach.

Mr. Speaker, I would again commend my colleague from Missouri for his very learned evaluation on the problems confronting our esteemed and respected aged citizens. I join with him in pledging myself to earnest endeavor to find the proper answers to these problems.

Mr. UTT. 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 California?

There was no objection.

Mr. CURTIS of Missouri. I thank the gentleman from California for his very kind remarks.

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

Mr. CURTIS of Missouri. Yes, gladly.

Mr. PORTER. I was very glad to have the opportunity to hear the gentleman's presentation, but I am not sure that the late Senator Taft would have agreed with his point of view.

Mr. CURTIS of Missouri. May I say to the gentleman that the late Senator Taft and I were very close personal friends. I managed his campaign in the State of Missouri in 1948 and 1952, and I think he and I were very much in accord in our approach to these matters.

Mr. PORTER. In regard to the Federal Government's role in connection with health?

Mr. CURTIS of Missouri. Yes, I would even say that, because in the days when Senator Taft made some of his proposals, we had not had this progress that I have been recounting. Since 1952, just to take these bold figures, it shows an increase from 26 percent of our people being covered beyond age 65 with health insurance in some form, where we are up to over 60 percent for the year 1960, and we know of the progress and the policies that are in existence which is going to continue this progress. So, you see, we do not stand still in this country. If we will only pay attention to the thing that has made this country great, which is essentially our private enterprise system, our millions of American men and women will be doing things for themselves.

Mr. PORTER. Mr. Speaker, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. PORTER. The gentleman said that part of this campaign was blasphemy and he accused the ADA of being apparently the principal people behind it.

Mr. CURTIS of Missouri. I did. I refer to a specific campaign and I pointed out that it was blasphemous. Actually I referred to a quote that was taken from the Bible and placed out of context, I might say. The blasphemy consists in this—and I suggest the gentleman read the message. The propagandists said that anyone who does not approve of the Forand bill is casting out the older people. That is not what I regard as a proper public debate. And when the Bible is quoted to further that, I say it is blasphemous.



Mr. PORTER. I am sure that the gentleman agrees that the teachings of Christ were that we should take care of the humble and the ill.

Mr. CURTIS of Missouri. But His teachings did not include attacking the motives of those who were trying to do the same thing.

Mr. PORTER. If I may complete my statement, by way of preliminary; the gentleman says that the ADA adherents and the American press—and he cites Mr. Herblock—I am sure the gentleman agrees that the ADA represents a very small segment of the American press, and that the doctors' lobby is far better financed and is working on this matter with far more resources.

Mr. CURTIS of Missouri. No; I do not. I might say to the gentleman that I do not agree with that. As a matter of fact, what is so difficult in coping with an apparatus like the ADA is that some of them project their thoughts and ideas as if they are professors in universities in some instances; others as if they are hard working—I am sure they are hard working—objective news reporters; or that they are objective cartoonists, calling their shots as they see them, instead of working in an apparatus to assist in perpetrating a national propaganda scheme. There is the difference. The doctors, Lord bless them, are not engaged in that kind of an operation.

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

Mr. CURTIS of Missouri. I yield to the gentleman from Arkansas.

Mr. ALFORD. There were statements that were made here, and I should like to ask the gentleman from Missouri a question. There were quotations from the Bible and our Lord was mentioned in a statement with reference to the needy. I would like to stress one point, Mr. Speaker. May I ask the distinguished gentleman, who is an authority on this subject, and a very valuable member of the Committee on Ways and Means, this question. The needy and the poor and the indigent of this country are not covered by the Forand bill, are they?

Mr. CURTIS of Missouri. No; the gentleman is correct. I think it is one of the great things in our society that we can say that really the indigent are taken care of today in America. There may be a few here and there; but if their need is called to the attention of anyone, they are taken care of, because we have the facilities in our society to care for them.

The Forand bill, of course, has nothing to do with those people. That is an important point to dwell upon, if this is going to get into a propaganda campaign; that is, that the people of this country understand that the proponents, those who are starting this propaganda machine, are trying to create the impression that they are talking about the needy when in fact they are not referring to any needy group. They are not talking about the needy.

Mr. ALFORD. I thank the gentleman very much.

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Mr. PORTER. If the gentleman will yield, I think it should be made clear, and I thought it would be made clear, that the Forand bill insurance program is based upon workers who put aside money when they are making that money. No one has ever said it was a subsidy or welfare program.

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] 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. SCHWENGEL. Mr. Speaker, I want to commend the gentleman from Missouri [Mr. CURTIS] for his very scholarly statement on the needs of the aged.

He has performed a fine public service in calling attention to the weaknesses and inadequacies of H.R. 4700. I, like him, have given much consideration to this very real problem and like him I sincerely believe we ought to give serious consideration to other plans that will recognize the total problem. I hope that those who share our concern on this matter—in and out of Congress—will read and study this fine statement and then join those of us who want to do a more adequate job of meeting this very real problem that needs our attention now.

#### COST OF LIVING AND THE NATIONAL ECONOMY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. STAGGERS] is recognized for 10 minutes.

Mr. STAGGERS. Mr. Speaker, everybody complains about the rising cost of living. Various agencies attempt to state the amount of change in percentage figures. For instance, the Department of Labor puts the increase at 9.8 percent in the period from 1952 to 1960. In computing this increase, they take a selected list of commodities and services that many people buy, and then determine the proportion of each commodity or service in the total, that is, they weight the items. The individual purchaser, or the family unit, may not follow the buying pattern of the general run of people. Low income families must necessarily spend a larger proportion of their incomes for food, for instance. To such a family, the rising cost of living really means the rising cost of food.

So many factors enter into the cost of living that it is unreasonable to expect the average man to trace all of them to their final result. In the final analysis, we tend to want an increasing amount of goods and services as a return for less and less work. Therefore, a good measure of any change in the cost of living would be the total amount of our national product divided by the total number of man-hours spent in its production. The only remaining problem then would be equitable distribution among those who should receive it. There is no doubt that we have increased our pro-

ductive capacity enormously in the last 20 years through the application of better methods and improved machinery. For instance, production on the farm per man-hour is said to be three times as great as in 1940. Yet the price of food in dollars has gone up instead of down. Why? Is somebody profiting at the expense of the farmer and the consumer? Nearly everybody is willing to point out the culprit. It is the wholesaler, or it is the processor, or it is the transporter. It is the laborer, it is the retailer, it is the cost of advertising. And so on. We can soon get dizzy if we try to follow the reasoning in each case.

One proposal for holding the real cost of living in practical limits would be to equate the value of every item of goods and services with the value of a single unit of some one commodity. If a bushel of wheat served as the unit, for instance, then a cow or an automobile or a coat or a trip to Bermuda or a man-hour of work would be worth so many bushels of wheat, always and everywhere. A few years ago the whole idea seemed attractive in principle. The only difficulty would be to get any considerable number of people to agree on a formula for computing the equivalences. Most schemes for controlling the prices of things suffer the same disadvantage. They sound well, but they cannot be made to work in practice.

At the start of the last war, the Government put an immediate clamp on both prices and wages. We endured this invasion of what we consider our inalienable rights while the war lasted. After the war, prices of goods and wages jumped sharply. Now many people urge that the Government step in and do something to halt the continued rise. Practical plans for doing this do not seem to be in evidence. In the recent prolonged steel strike, the Government was criticized for not intervening on one side or the other. Then, when it did get somewhat indirectly into the negotiations, it was criticized for interference. The only plan officially endorsed by the administration was that everybody should exercise restraint and moderation in attempting to improve his position relative to others. Meanwhile the cost of living continues to go up.

#### PEACE AND NATIONAL DEFENSE

The establishment and maintenance of peace in this country and in the world is the major concern of all our people. Those whose husbands, sons, and daughters failed to come back from the last war do not want to see another. Those who participated and came back without injury have had enough. All who contributed in a civilian role to the final victory want to avoid the sacrifice of time and energy in another struggle. I served nearly 4 years as a navigator in the Naval Air Corps during the war. I do not want to repeat the experience myself, and I look forward with the greatest horror to the prospect that my children, or my children's children, should be caught in another and more horrible slaughter.

I have introduced legislation setting up a Department of Peace in the Federal Government. The major function of the

Department would be to study causes of friction among nations and ways of resolving differences without resort to arms. But it would be foolish to trust in such a Department alone to preserve the peace in this age of tension. Until we can get universal acceptance of the idea of peace, we must be prepared to fight. While I shall make every effort to achieve the objectives of the Department of Peace, I am equally prepared to support proposals to keep us so strong militarily that no nation dare attack us. We have never in our history engaged in offensive military action, we have no intentions now to start an offensive war, and I believe we never will have. But we know that powerful forces exist in the world intent on our destruction. The only hindrance to letting them loose against us is the sure knowledge that we will meet force with force. The communistic nations alined against us are bullies. They respect nothing but force. The only way to handle a bully is to check him with immediate deterrent force. We are already spending a considerable slice of our national income, perhaps 9 percent, in building up our deterrent strength. It may not be enough. I should prefer to spend billions more now in guarding against disaster than to wait and hope that nothing will happen, and then be compelled to sacrifice not only our money but thousands and millions of human lives in a war that might have been averted if we had only been strong enough. We do not want another Pearl Harbor. The "too little and too late" policies of the 1930's laid us open to the belief that we could be attacked with impunity. After we had been attacked, we had to spend time, money, and men to recover the force and prestige we had lost unnecessarily.

Many men prominent in public life have gone on record to the effect that our preparedness program is too weak and ineffectual. These men belong to both political parties. Their integrity and their understanding of events cannot be questioned. They are in a position to know, and they have the facts on which to base a conclusion. They agree that we are already far below Russia in military effectiveness, and that we are losing ground year by year. They point out that Russia is spending at least twice as large a proportion of her national output on weapons as we are spending. Further, Russia needs desperately to increase the supply of consumer goods, while we enjoy a surplus of practically every civilian commodity. We can well afford to devote a larger share of our income to building up our strength. Meanwhile, administration policies waver from one position to another. They take up one military project after another, spend large sums in its development, and then abandon it for something else. We must get together on a total program that will do the job. It is certain that we have the knowledge by which we can determine our needs. We have the technical skill, the organizational resources, and the materials to make ourselves impregnable. Let us use them to the extent that they are needed.

Considerations of economy and of a balanced budget will not save us from annihilation if an atomic war breaks out.

Failure to act now will convince our enemies that we are really bluffing, that we have no firm commitment to a policy of resisting aggression, and that we will refuse to fight at all when the chips are down. Already there is talk of breaking our promises in Europe, in the Middle East, and in eastern Asia. We must bolster up our national will to make the sacrifices necessary. We must restore our military power in international confrontations. Penny-pinching now in the name of economy leads inevitably to waste and extravagance later when the full force of the storm strikes us, as it always has. The best way to preserve peace is to be abundantly able to wage war.

#### WRONG DONE JULIUS WILDSTEIN, OF NEWARK, N.J.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. ADDONIZIO] is recognized for 15 minutes.

Mr. ADDONIZIO. 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 Jersey?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, I rise to correct a serious wrong that was committed against the good name of Julius Wildstein, of Newark, N.J., by the gentleman from Mississippi [Mr. WILLIAMS] on the floor of the House on March 9. It is regrettable when debate descends to the level of personalities, when name calling is substituted for calm and objective discussion. However, we can perhaps excuse a Member resorting to denunciation in the absence of arguments of merit and substance. What is inexcusable is to impugn falsely a man's honor and integrity. A grave injustice has been done to Mr. Wildstein, as the following letter from him makes clear. Under date of March 21, Mr. Wildstein has written me:

NEWARK, N.J., March 21, 1960.

The Honorable HUGH J. ADDONIZIO,  
House of Representatives,  
Washington, D.C.

MY DEAR CONGRESSMAN ADDONIZIO: My attention has been called to an item appearing in the CONGRESSIONAL RECORD of March 9, 1960 (No. 44), at page 5063, in which Congressman WILLIAMS, of Mississippi, referring to an item placed in the RECORD by you, attacked me: "On February 23, 1960, the gentleman from New Jersey [Mr. ADDONIZIO] placed in the RECORD a long apology for the people of Levittown, N.J., who refused to integrate their 'publicly assisted housing' until forced to do so by an order of the New Jersey Supreme Court. In his praise of participants in the lawsuit on the side of integration, Mr. ADDONIZIO pointed out the following:

"Instrumental in this splendid victory was Julius Wildstein, Newark attorney and chairman of the commission of law and social action of the New Jersey region, American Jewish Congress, who sacrificed time and energy, without any material compensation, to act as chief attorney for the defendants. He, together with attorneys from the American

Jewish Congress, as well as lawyers from other agencies, are to be commended."

"What Mr. ADDONIZIO did not tell the Congress about Mr. Wildstein was that, several months ago, according to reliable information that has come to me, this same Julius Wildstein sold his home at 356 Seymour Avenue, an integrated neighborhood, to Negroes, and moved over to 19 Lyons Avenue, a protected all-white community, in Newark. For Mr. Wildstein, integration appears to be highly desirable; but desirable only to others. Apparently he does not choose to be integrated himself. This is but one example of the hypocrisy which characterizes this entire controversy, Mr. Speaker."

The statements of Congressman WILLIAMS are completely contrary to the facts, as follows:

1. I did not sell a home at 356 Seymour Avenue. The fact is I never owned a house at 356 Seymour Avenue or anywhere else. For several years I was a tenant occupying a 7-room apartment on the first floor of a 2½-family house at 336 Seymour Avenue. This neighborhood is an integrated neighborhood and was such when I moved into it, a fact of which I was well aware.

2. The house at Seymour Avenue where I lived was sold in April 1959 to Ada-Ozella Corp., which was and is owned and controlled by two Negro families, and I was told by them that it was their intent to occupy the first and second floor apartments. Pending my removal, the two families occupied the second-floor apartment, which was then vacant, and after I vacated one of the families moved into my former apartment.

3. I continued to live at Seymour Avenue in the same house with the two Negro families for over 3 months, at which time I was able to find a 4½-room apartment more suitable to our family needs in an apartment building at 19 Lyons Avenue, Newark, N.J.

Congressman WILLIAMS says that this is a "protected all-white community." It is nothing of the kind. There are several houses in the neighborhood occupied by Negro families.

I hope you will see that the CONGRESSIONAL RECORD carries this correction of Mr. WILLIAMS' erroneous statements and of his charge that my efforts and those of the American Jewish Congress and other organizations to end racial discrimination are hypocritical.

Sincerely yours,

JULIUS WILDSTEIN.

#### DEVELOPMENTS IN THE MANDATORY OIL CONTROL PROGRAM AND ITS IMPORTANCE TO AMERICA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. MOORE] is recognized for 30 minutes.

Mr. MOORE. Mr. Speaker, quite frequently, it seems, for one reason or another, men charged with responsible leadership in the executive branch of our Government face criticism and complaints, rather than acclaim, for their efforts.

Thus, it is a matter of considerable pleasure when the opportunity arises to offer praise for an example of steadfastness and courage in Federal Government administration.

I refer to the forthright reassurance recently given the American coal industry by Mr. Elmer F. Bennett, Under Secretary of the Interior, when he announced, with the approval of his superior, Secretary Fred A. Seaton, that the Department has no information that



would justify an increase in oil import quotas for the first 6 months of this year, despite the current high levels of imports.

In a letter to Mr. Joseph E. Moody, president of the National Coal Policy Conference, Mr. Bennett, as Acting Secretary, declared that importers of residual—and I quote him—"should be put on notice that nothing has come to the attention of this Department which leads us to doubt the validity of the import levels which were established for the first half of 1960, and that we have no information which would appear to warrant an upward adjustment in the residual allotment for this 6-month period."

Despite this very clear expression by Mr. Bennett, however, there are well-founded reports that importers of residual oil, consisting mostly of the major international oil companies, expect to bring tremendous pressure on the Department of the Interior, which administers the quotas, to increase them before this half year is over.

These reports are substantiated by the alarmingly high rate at which imports have been running during the first 2 months of this year. In January and February alone, 54 percent of the quota for the entire 6 months was brought in.

If this rate continues—and it shows little signs of abating—many importer-suppliers are certain to exhaust their quotas long before June 30. If this occurs, we may expect to hear anguished cries that critical users of residual oil are without fuel, that free businesses are being forced into hardship by arbitrary and autocratic bureaucracy, and even worse.

It seems, therefore, that it is well to review this whole situation at this time, and to shed the light of pure facts on what is happening before it can become an effective tool in the hands of the international oil corporations to further belabor the domestic fuel industry and the interests of national security.

First, it is essential to remember that, although the imposition of quotas on imported residual oil has been of inestimable help to a stricken American domestic fuels industry, it was essentially a national defense decision, and came only after a Presidential proclamation which followed findings that unrestricted imports posed a threat to the national security.

As Mr. Bennett so properly pointed out in his letter to Mr. Moody:

In administering the program, we as a Department have to bear this presidential finding in mind at all times. We cannot in good conscience ignore the national security aspect and set the allocation level at a point which permits everyone who wants to bring in residual fuel oil and to bring in as much as he desires.

Recognition by the Federal Government of the serious effect on our defense capacities of unrestricted residual imports is, of course, heartening to the domestic coal industry which has been pointing to this danger for several years.

As a matter of fact, even a continuation of the import quotas at their present levels, in my opinion and that of the leaders of the domestic coal industry, do not

furnish satisfactory safeguards against this threat to national security.

When the quotas were imposed, it was decreed that they should restrict residual oil imports to the number of barrels that were brought in from foreign sources in 1957. This was approximately 125 million barrels, or the equivalent of 30 million tons of coal. However, since that time the quotas have twice been adjusted upwards, and now permits, on the basis of the first 6 months of 1960, the import of 156 million barrels annually, or the equivalent of 38 million tons of coal.

Since this is equivalent to about 9½ percent of the total coal produced in the United States in 1959, it is readily apparent what an unfortunate impact the imports of residual—even at present permitted quota levels—is having on the historic markets for American coal.

Keeping this fact in mind, and in view of the anticipated efforts on the part of some importers to seek even further increases in quotas—or even to demand their complete elimination—it is important to review briefly the problem of residual imports and the developments that have led to the present situation.

Residual oil, as the name suggests, is the residuum after the primary products, such as gasoline, kerosene, distillates, lubricants, and so forth, are obtained during the refining of crude oil. There is no commercial production of crude oil accomplished in order to obtain residual oil as such. If there were no market or use for residual oil at all, the fact remains that it would still have to be produced as a byproduct in order to get the other desirable distillates from crude oil. Consequently, there is no relationship between the production of residual and the market demand for it. Supply in this case is governed by the demand for the other petroleum products and, once these have been extracted from crude oil, the producer is faced with the problem of disposing of the remainder—residual oil. For this reason, residual oil is frequently, in times of excess supply, sold at a dump price—that is, a price that has no relation to its cost.

The amount of residual derived from crude oil varies widely with the quality of the crude. In domestic refineries the residual content averages 13 percent of the refinery throughput, while Venezuelan operations and those of the Netherlands Antilles produce 60 percent residual oil. It is oil from these latter sources which constitutes the bulk of residual imports into the United States.

When residual supplies pile up in these overseas refineries, the producers must dispose of the glut. Naturally, they would like to do so as advantageously as possible, but they must get rid of it. To accomplish this, the oil giants turn to the industrial market of the American Eastern Seaboard.

This market is a readymade dumping ground for them. The Eastern utilities are large consumers of fuel. Although traditionally dependent on coal for its boiler fuel, a significant portion of this market has boilers equipped to burn either oil or coal on a quick-switch basis. The determining factor in making a fuel selection is naturally a comparison of the prices per B.t.u. offered by the various

fuels. When there is no worldwide glut of oil and prices are correspondingly normal, coal undersells oil in this market, sometimes by a considerable amount. Under this condition the oil producers are not particularly interested in the Eastern utility market, nor are the utilities interested in using any significant quantity of oil as fuel.

However, under the price-depressing effects of an oversupply of oil and with stocks of residual mounting rapidly, the disposal of residual oil becomes more important than the revenue it yields. Under these circumstances, prices are slashed ruthlessly to whatever point necessary to undersell coal in the utility market and the utilities' boiler equipment is rapidly switched to accommodate the imported fuel and take advantage of the favorable price.

Ever since the Suez crisis in 1957, world petroleum supplies have increased steadily and world markets have been glutted with ever-increasing surpluses. Nor is exploration for and consequent discovery of oil deposits waning under the continued oversupply; on the contrary, it is being pursued at a feverish pace. This situation has had a plainly adverse affect on American energy industries.

The domestic petroleum producers have been severely limited by regulatory fiat in their production as a result of the flood of imported oil breaching American shores. For example, Texas wells are currently allowed to produce oil only 10 days of every month. And, of course, the great excess of supply over demand has maintained prices for what oil is produced in a chronically weakened condition. The glut of crude oil has been accompanied, in due course, by a burgeoning oversupply of residual oil which has had a severely injurious effect on the domestic American coal industry.

The growth in U.S. imports of petroleum and petroleum products over the past few years has been startling. In 1954, for example, the value of these imports was \$829 million; by 1958 this figure had almost doubled and stood at \$1,625 million. Over the same period, the domestic production of crude petroleum went from 2.3 billion barrels to 2.4 billion barrels, an increase of only 4 percent in 4 years.

In an effort to alleviate this distressing situation, in July 1957 the President's Cabinet Committee called for a voluntary program of restrictions on oil imports. This action, mild as it was, helped hold the line on unbridled imports—in 1958 imports represented 18.4 percent of domestic supply as compared with 16.5 percent in 1957. However, this move did nothing to alleviate the problem of residual oil which was not covered under the voluntary program.

It became obvious early in 1959 that the voluntary import restrictions, while a step in the right direction, were not doing the whole job. In March of that year, President Eisenhower issued a proclamation which set mandatory quotas on the importation of petroleum and for the first time recognized the danger of continuing reliance on imported residual oil for fueling basic

American industries. The basis of the Presidential proclamation was that a continued high level of oil imports was injurious to the national security of the United States because it weakened the domestic energy base so vital in time of emergency. The inclusion of residual fuel oil under this mandate plainly interweaves the importation of residual with that of crude oil in the national fuel and energy supply as it relates to national defense.

Imported residual oil increases the dependence of our basic economy on fuel and energy resources from outside the United States, which are, of course, unreliable in time of war, in the same way that imports of crude oil increase this dependence. Imports of residual oil displace domestic sources of fuel and energy in the same way as do imports of crude oil. And the same retardation of growth and of the rate of investment that characterize the effect of excessive imports of crude oil on domestic petroleum development, are apparent in the effect of uncontrolled imports of residual fuel oil on the domestic coal industry.

The original level at which imports were to be maintained under the Presidential order was that of 1957. This standard was followed generally in the establishment of quotas for April, May, and June 1959—as far as residual oil was concerned, this meant roughly 343,000 barrels per day.

However, the 1957 basis for import restrictions was abandoned when the quotas were set for the final 6 months of 1959. At this time the amount of imported residual to be allowed entry became involved with the estimates of petroleum production and demand made by the U.S. Bureau of Mines. This estimate was predicated on elements of normal demand, abnormal demand because of expected unseasonably cold weather, and an allowance for building of stocks, even though the Bureau had no accurate storage figures to indicate such a need. Under this vague system, the quotas for the last half of 1959 were increased to 365,000 barrels per day. If normal weather had been assumed and no allowance made for stock building, the quota would instead have been cut to approximately 320,000 barrels per day under this system.

With the establishment of the residual quotas for the first 6 months of 1960, at 425,000 barrels a day, the complete abandonment of the 1957 basis became obvious. Emphasizing the abandonment was a revised version of the Presidential Proclamation issued on December 10, 1959, which said in part:

The Secretary of the Interior shall keep under review the imports \* \* \* of residual fuel oil to be used as fuel and the Secretary may make, notwithstanding the levels prescribed in paragraphs (a) and (b) of this section [the 1957 level] and on a monthly basis if required, such adjustments in the maximum levels of such imports as he may determine to be consonant with the objectives of this proclamation.

While no justification accompanied the announcement of the higher quotas, it is probable that they were again predicated on the postulations of market demand derived by the Bureau of Mines.

Despite the facts that residual stocks were high, prices were weak, and importers had been slow to use quotas during the earlier part of the July-through-December quota period, thus indicating a needed reduction in residual quotas, the allowable imports were actually increased by 60,000 barrels a day. This apparent anomaly was interpreted by the oil importers to signify an open-ending of the control program—an open invitation to use up the quotas and then ask for more. As the Oil Daily, a leading publication of the oil industry, reported an interview with an official of the Department of the Interior.

He explained that importers can bring in as much of their total 6-month import allowable as they wish during the early months of the year. Implicit in this is that, if importers do run out of quotas well before the June 30 deadline next year, they will be allocated additional import quotas of residual.

Unfortunately, this erroneous assumption seems to have had a strong effect on the marketing actions of the giant oil companies responsible for dumping residual oil in the Eastern United States.

In January of 1960, the first month of the current quota period, an average of 724,000 barrels per day was imported, nearly 300,000 barrels more than the average allowed under the quotas. The January total was more than 22 million barrels. When compared with the overall 6-month allowable of 77 million barrels, this figure is nearly 30 percent of the total quota.

The average daily importation during the month of February 1960 was 669,000 barrels, totaling some 19.4 million altogether. This chewed up another 25 percent of the 6-month quota thus bringing the percent of the quotas used in only one-third of the quota period to 54 percent. This rush to sell residual certainly seems to indicate that the oil giants are doing their best to use up the quotas as fast as possible in the hope of obtaining supplementary allocations once the original ones are exhausted.

It is obvious that if this strategy adopted by the oil importers succeeds, the net result will be the complete destruction of the mandatory control program on residual oil. It is also obvious that the destruction of the mandatory program would be a catastrophe to the American fuels industries and, consequently, to the Nation as a whole. We in this body cannot stand idly by and watch a small group of willful businessmen destroy the energy industries and the national security of the United States.

It is for this reason that I so wholeheartedly commend Under Secretary Bennett for his forthright affirmation that the Department of the Interior will stand firm in the face of this all-out attack on the oil-import control program. This affirmation is an important one to the domestic coal industry, which, as you know, provides an important economic contribution to the State which I represent.

The importation of any residual oil at all is harmful to the domestic coal industry. However, if imports were maintained at the level of 1957, as originally

set by the Presidential proclamation, this great American industry could plan on coal displacement of some 30 million tons annually and thus have some stability and continuity introduced into its marketing plans. However, in 1959, of which only the last 9 months were under quota limitations, residual oil equivalent to 38 million tons of American coal was imported. And, even more startling, the level of imports during January and February of 1960 was at a seasonally adjusted annual rate equal to 53 million tons of coal. When one considers that total annual production of coal in this country is currently only slightly more than 400 million tons, the grievous injury done by the accelerated importation of residual oil is readily apparent.

Mr. Speaker, in view of these facts, the members of this body can only urge Under Secretary Bennett to remain steadfast in his position that no new quotas will be granted prior to the June 30 expiration date. Undoubtedly, tremendous pressures will be brought to bear by the oil importers to secure supplementary quotas. This pressure must be resisted. Mr. Bennett and his dedicated associates in the Department of the Interior must successfully defend the mandatory controls on residual oil imports against the planned onslaught of the oil giants so as to safeguard the health of the American fuels industries and consequently insure the maintenance of our national security.

#### KAISER INDUSTRIES CORP.

The SPEAKER pro tempore (Mr. ALFORD). Under previous order of the House, the gentleman from California [Mr. GEORGE P. MILLER] is recognized for 30 minutes.

Mr. GEORGE P. MILLER. Mr. Speaker, despite the difficulties that many American corporations seem to encounter in developing industrial entities in foreign countries, there are some American businessmen, and in some cases I think they should be referred to as business statesmen, who manage to thrive where the going is toughest.

One American industrial organization whose activities are proving successful in varied fields around the world is Kaiser Industries Corp. Its young, energetic president, Edgar F. Kaiser, is a constant world traveler and he is rapidly placing his organization in the forefront of American companies that are successful in spreading the doctrine of free enterprise around the globe.

I think that one of the reasons this young "business statesman" is so successful can be found in the credo of his organization. The Kaiser affiliated companies believe that an American industrial organization's only real measure of achievement is its contribution to the economic health of a nation and to the well-being of its people.

Another reason was touched on briefly by Kaiser Industries Vice President Chad F. Calhoun, who told Fortune magazine after a recent extended trip abroad:

One thing Kaiser has learned abroad is not to measure everything in terms of a U.S. yardstick.



The Kaiser organization has applied these principles in Argentina, Brazil, India, Australia, England, Turkey, Israel, and a number of other foreign countries. In fact, it is applying them right now in the independent, 3-year-old nation of Ghana which is moving forward with one of the most spectacular engineering projects of modern times.

Known as the Volta River project, it calls for a series of three dams across the river. The project will require about 5 years to complete and will eventually supply the new nation of Ghana with thousands of kilowatts of electric power to help diversify the country's cocoa-based economy.

Prime Minister Kwame Nkrumah has long recognized the value of the project to the economic development of his country, and he has indicated his determination to have it become a reality.

The Volta River project, Mr. Speaker, has been talked about for more than 30 years, but it took the initiative and understanding of Ghana's Prime Minister, plus the interest of the Kaiser organization to turn the conversation into action.

Under the British, as the Gold Coast Colony, an excellent and thorough report on the Volta project was made in 1956 by the Gold Coast Development Commission chaired by Sir Robert Jackson, assisted by the internationally known engineering firm of William Halverson & Partners. World events and conditions and other factors combined to forestall the fulfillment of the project.

When Prime Minister Nkrumah visited President Eisenhower in July, 1958, it was suggested that a reappraisal of the 1956 report be made. The State Department through ICA agreed to pay one-half the cost of this reappraisal. The Kaiser engineers were selected to perform this work. This new report emphasizing the feasibility of the project was submitted to Prime Minister Nkrumah in March 1959.

Shortly thereafter the Government of Ghana made an initial contract with Kaiser Engineers for preliminary engineering design and certain preliminary construction work under a \$3 million contract.

Kaiser engineers subsequently under separate contract is constructing about \$7 million in preliminary dam work such as access roads, housing, utilities, warehouses, and so forth. Final engineering design is also under way.

The first dam and power plant to be built at Akosombo, on the Volta River, will provide 768,000 kilowatts. All three will generate 1,080,000 kilowatts.

Prime Minister Nkrumah has also called upon Mr. Edgar F. Kaiser to accept the initiative in forming an aluminum consortium, composed of a number of major aluminum producers, for the purpose of building an aluminum reduction plant in Ghana with an initial annual capacity of 120,000 tons. The plant would cost \$100 million to \$150 million and would tap rich Ghanaian bauxite deposits and Volta River power. The ultimate capacity of the plant would be 220,000 tons. The aluminum produced would be supplied to world markets outside the United States.

Mr. Kaiser accepted the Prime Minister's invitation and has since discussed the matter with other major producers. A company has been formed and designated the Volta Aluminum Co. It was formed for the purpose of considering the possibilities of establishing an aluminum industry in Ghana along with the attendant problems and costs involved. I understand, Mr. Speaker, that a review of the situation will be made by the new company and a decision given to the Ghana Government before September of this year.

This, Mr. Speaker, is the kind of cooperation we need between the newly developing countries and American industry. This is the area in which America can make its greatest contribution. We all recognize the strong nationalistic feelings currently evident in the various regions of Africa that are struggling for independence and the right to establish their own governments.

The Volta River project is a means by which we can make a contribution, through the channels of free enterprise, to the economic well being of Ghana and to the soundness of the democratic way of life upon which she is now embarked.

The Ghana Government, Mr. Speaker, has already indicated that it will support its belief in the soundness of the project by providing approximately 40 percent of the funds needed for the Volta Dam and powerplant. This is the kind of project which reflects credit, not only to Prime Minister Nkrumah, but also to the industrial talents of the American corporations involved, and also emphasizes the economic acumen of our international lending institutions.

The Ghana Government embraces democratic ideals and the United States and American industry should do all in its power to assist this young country and its people in developing a strong, active economy that can withstand the blandishments of communism.

The Kaiser organization has proved its mettle in a number of other countries, as well. It has developed a flourishing automotive manufacturing business in Argentina through the establishment of Industrias Kaiser Argentina, S.A., which builds Jeep vehicles and three passenger cars.

It organized Willys-Overland do Brasil in Brazil where it also does a thriving business in the manufacture of Jeep vehicles and two passenger cars. Both of these companies are affiliates of Willys Motors, Inc., of Toledo, which is owned by Kaiser Industries.

Kaiser Aluminum & Chemical Corp. has associated itself with aluminum fabricating firms in Buenos Aires, Argentina, and London, England. In addition, it has developed tremendous bauxite deposits in Jamaica, and is ready to build an aluminum reduction plant in India, the biggest United States-Indian private industrial project to date.

Willys Motors, Inc., has established assembly operations for Jeep vehicles in Turkey, India, and Australia, while Kaiser Engineers are working on projects in India, Australia, and Brazil.

These are only a few of the areas in which the Kaiser organization is show-

ing the way with an enlightened approach to dealing with foreign governments, foreign nationals, and newly developing countries. Wherever possible, Kaiser insists upon a minority stockholder's position in any new corporate entities it helps to organize. This is the kind of an approach that helps to dispel the thoughts of Yankee imperialism generated in the minds of foreign nationals over the years.

This is the kind of approach that warrants the term business statesmen and has brought increasing recognition to the Kaiser organization.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JACKSON, for 10 days, on account of official business.

Mrs. BLITCH (at the request of Mr. PRESTON), for an undetermined period, on account of illness.

#### 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. STAGGERS (at the request of Mr. BAILEY), for 10 minutes, today.

Mr. ADDONIZIO (at the request of Mr. ROBINO), for 5 minutes, today.

Mr. GEORGE P. MILLER, for 15 minutes, today.

Mr. MOORE (at the request of Mr. ROBISON), for 30 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WOLF and to include extraneous matter.

Mr. MACHROWICZ.

Mr. ROBINO.

Mr. VAN ZANDT.

Mr. MEADER, at that point in the RECORD immediately following the vote on H.R. 8601 and to include extraneous matter.

Mr. OSTERTAG (at the request of Mr. ROBISON), to extend his remarks in the body of the RECORD and include extraneous matter.

Mr. ADAIR, to extend his remarks in the body of the RECORD at a point prior to the special orders for today and to include extraneous matter therewith.

Mr. BENTLEY.

Mr. BRADEMANS.

(At the request of Mr. ROBISON, the following Members were granted permission to extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter:)

Mr. KEARNS.

Mr. MICHEL.

Mr. FINO.

Mr. PELLY in two instances.

Mr. CURTIN.

Mr. RAY.

Mr. NORBLAD.

Mr. BARRY.

(The following Members, at the request of Mr. ALFORD, and to include extraneous matter:)

Mrs. SULLIVAN in two instances.  
Mr. SANTANGELO.  
Mr. BURKE of Massachusetts.  
Mr. FRIEDEL.  
Mr. GREEN of Pennsylvania.  
Mr. MULTER.

#### ADJOURNMENT

Mr. GEORGE P. MILLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 22 minutes p. m.), under its previous order, the House adjourned until Monday, March 28, 1960, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1980. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Export-Import Bank of Washington for the fiscal year ended June 30, 1959 (H. Doc. No. 362); to the Committee on Government Operations, and ordered to be printed.

1981. A letter from the Assistant Secretary of the Interior, transmitting a copy of the Annual Report of the Activities of the Division of Coal Mine Inspection, Bureau of Mines, for the calendar year January 1, 1959, through December 31, 1959, pursuant to the Federal Coal Mine Safety Act (66 Stat. 692; 30 U.S.C. secs. 451-483); to the Committee on Education and Labor.

1982. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the District of Columbia Traffic Act, 1925, as amended"; to the Committee on the District of Columbia.

1983. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 50th Annual Report of the Boy Scouts of America for the year 1959, pursuant to the act of June 15, 1916, entitled "An act to incorporate the Boy Scouts of America and for other purposes" (H. Doc. No. 363); to the Committee on Education and Labor, and ordered to be printed with illustrations.

#### 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. THORNBERRY: Committee on Rules. House Resolution 485. Resolution for consideration of S. 1795. An act to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces; without amendment (Rept. No. 1417). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 486. Resolution for consideration of House Concurrent Resolution 582. Concurrent resolution providing under section 3(e) of the Strategic and Critical Materials Stock Piling Act, the express approval of the Congress for the disposal from the national stockpile of approximately 470,000 long tons of natural rubber; without amendment (Rept. No. 1418). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 487. Resolution for consideration of H.R. 10959. A bill relating to the employment of retired commissioned officers by contractors of the Department of Defense and the Armed Forces and for other purposes; without amendment (Rept. No. 1419). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 488. Resolution for consideration of H.R. 2331. A bill to establish the Chesapeake and Ohio Canal National Historical Park and to provide for the administration and maintenance of a parkway, in the State of Maryland, and for other purposes; without amendment (Rept. No. 1420). Referred to the House Calendar.

Mr. FRIEDEL: Committee on House Administration. House Resolution 437. Resolution amending House Resolution 146, 86th Congress; without amendment (Rept. No. 1421). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 441. Resolution providing additional funds for studies and investigations pursuant to House Resolution 147, 86th Congress; with amendment (Rept. No. 1422). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 460. Resolution providing for the expenses of conducting studies and investigations authorized by rule XI(8) incurred by the Committee on Government Operations; without amendment (Rept. No. 1423). 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. ADDONIZIO:

H.R. 11358. A bill to provide for the coverage of physicians by the insurance system established by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. ASHMORE:

H.R. 11359. A bill to amend section 4208 of title 18, United States Code, so as to require a report in certain cases as to the suitability of a Federal prisoner for parole; to the Committee on the Judiciary.

By Mr. BROVHILL:

H.R. 11360. A bill to readjust postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H.R. 11361. A bill to prohibit the severance of service connection which has been in effect for 10 or more years, except under certain limited conditions; to the Committee on Veterans' Affairs.

H.R. 11362. A bill to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the housing amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas; to the Committee on Banking and Currency.

By Mr. GEORGE:

H.R. 11363. A bill to provide for the establishment of a commission to study and make recommendations to the Congress with respect to the advisability and practicability of retroceding all or part of the District of Columbia to the State of Maryland; to the Committee on the District of Columbia.

By Mrs. GRANAHAN:

H.R. 11364. A bill to provide for the issuance of a special postage stamp in honor of the memory of the venerable Bishop John N. Neumann, C.S.S.R., D.D.; to the Committee on Post Office and Civil Service.

By Mr. KEARNS:

H.R. 11365. A bill to readjust postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LAFORE:

H.R. 11366. A bill to amend title X of the Social Security Act to provide that, without an increase of Federal participating funds, a State plan for aid to the blind may utilize a more liberal needs test than that presently specified in such title; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 11367. A bill to amend title V of the Agricultural Act of 1949, as amended, to provide, in connection with the employment of workers from Mexico, protection against unfair competition from corporate agriculture to the American family farm, and protection for the employment opportunities of domestic agricultural workers in the United States, and for other purposes; to the Committee on Agriculture.

By Mr. LENNON:

H.R. 11368. A bill to amend the Federal Employees Salary Increase Act of 1958 to grant certain increases in compensation to employees of the agricultural stabilization and conservation county committees; to the Committee on Post Office and Civil Service.

H.R. 11369. A bill to bring employees of agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act, the Federal Employees' Group Life Insurance Act of 1954, and the Federal Employees Health Benefits Act of 1959; to the Committee on Post Office and Civil Service.

By Mr. McMILLAN:

H.R. 11370. A bill to amend the District of Columbia Alcoholic Beverage Control Act; to the Committee on the District of Columbia.

By Mr. RODINO:

H.R. 11371. A bill to prevent the use of stopwatches, work measurement programs or other performance standards operations as measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. SANTANGELO:

H.R. 11372. A bill to eliminate the requirement that veterans have served for 90 days or more to qualify for certain benefits under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. SHELLEY:

H.R. 11373. A bill to amend title V of the Agricultural Act of 1949, as amended, to provide, in connection with the employment of workers from Mexico, protection against unfair competition from corporate agriculture to the American family farm, and protection for the employment opportunities of domestic agricultural workers in the United States, and for other purposes; to the Committee on Agriculture.

By Mr. VANIK:

H.R. 11374. A bill to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas; to the Committee on Banking and Currency.

By Mr. WHARTON:

H.R. 11375. A bill to amend section 35 of title 18 of the United States Code so as to increase the punishment for knowingly giving false information concerning destruction of aircraft and motor vehicles; to the Committee on the Judiciary.

By Mr. KING of California:

H.R. 11376. A bill to allow credit or refund of gift tax erroneously paid by reason of treating nontaxable divisions of community property as gifts; to the Committee on Ways and Means.

By Mr. MORRIS of New Mexico:

H.R. 11377. A bill to amend the act of October 31, 1949, with respect to payments



to Bernalillo County, N. Mex., for furnishing hospital care for certain Indians; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H.R. 11378. A bill to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas; to the Committee on Banking and Currency.

By Mr. UDALL:

H.R. 11379. A bill to amend the act of December 29, 1916, so as to prevent the mining and removal of coal and other mineral deposits in certain stockraising homesteads, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRADEMAS:

H.J. Res. 660. Joint resolution providing for the issuance of a proclamation designating March 25 as Greek Independence Day; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 661. Joint resolution to authorize and request the President to issue a proclamation in connection with the centennial of the birth of Jane Addams, founder and leader of Chicago's Hull House; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. Con. Res. 645. Concurrent resolution expressing the sense of the Congress with respect to the use of aircraft capable of excessive speed in the carrying of passengers for hire; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H. Con. Res. 646. Concurrent resolution expressing the sense of the Congress that the U.S. moratorium on the testing of nuclear

weapons shall be continued; to the Committee on Foreign Affairs.

By Mr. LANE:

H. Con. Res. 647. Concurrent resolution expressing the sense of the Congress with respect to the conduct of the relations of the United States with Red China; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALFORD:

H.R. 11380. A bill for the relief of Joe J. Farmer; to the Committee on the Judiciary.

H.R. 11381. A bill for the relief of Mrs. Bessie Butler Newson Allard; to the Committee on the Judiciary.

By Mr. BENTLEY:

H.R. 11382. A bill for the relief of Wieslaw Alice Klimowski; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 11383. A bill for the relief of George Paschos, his wife, Demetra Paschos, and their minor child, Paraskevi Paschos; to the Committee on the Judiciary.

By Mr. FARBSTEN:

H.R. 11384. A bill for the relief of Judy Tom; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 11385. A bill for the relief of Alpo Franssila Crane; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 11386. A bill for the relief of Franziska Grabner; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 11387. A bill for the relief of Vicko Beusan; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 11388. A bill for the relief of Dr. Henry H. Cohan; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

390. By Mr. BREEDING: Resolutions adopted at the 32d Annual Meeting of the Intermountain Veterinary Medical Association held January 20-23, in Salt Lake City, Utah, urging the investigation of the imports of sheep and cattle from other countries and the need for adequate quarantine facilities for animals on the Pacific coast be recognized and investigated by the Congress; to the Committee on Agriculture.

391. By Mr. FORAND: Petition of Mrs. Gladys Twomey and 125 others, favoring World War I Veterans' Pension Act of 1960, and payment of a pension to World War I veterans as stipulated in pension bill H.R. 9336; to the Committee on Veterans' Affairs.

392. By Mr. McCULLOCH: Petition of Louis H. Reithman and 39 other members of Allen County Barracks No. 489, Veterans of World War I, Inc., Lima, Ohio, favoring the passage of H.R. 9336, referred to as the World War I Pension Act of 1960; to the Committee on Veterans' Affairs.

393. By the SPEAKER: Petition of Mrs. Lytleton W. Ballard, Maryland State Society, Daughters of the American Revolution, Ilchester, Md., relative to various resolutions adopted at the 55th Maryland State conference relating to the World Court, the Panama Canal, art as a Communist weapon, peaceful coexistence and disarmament, and cultural exchange; to the Committee on Foreign Affairs.

## EXTENSIONS OF REMARKS

### Forty-second Anniversary of Byelorussian Independence

#### EXTENSION OF REMARKS

OF

HON. JOHN H. RAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1960

Mr. RAY. Mr. Speaker, I am glad to join with other Members in recognition of the Byelorussian Independence Day.

The Byelorussian people are among the largest of the many ethnic groups included in the Soviet Union. Unfortunately they had been subjected to czarist Russia's oppressive regime since early modern times and had thus lost their independence, but not their love for independence and freedom. For centuries they struggled against their oppressors, always against heavy odds, and they had no chance to free themselves until 1918.

Soon after the overthrow of the czarist regime by the Russian Revolution, these 10 million Byelorussians felt free, took their fate into their own hands, and proclaimed their independence in March of 1918. Thenceforth for a little more than 2 years they waged a continuous war against their foes on many fronts, particularly against Communist Russians. In 1921, before Byelorussians could con-

solidate their strength, the country was attacked by Soviet forces, it was overrun, and then made part of the Soviet Union. Since then, for almost 40 years, some 10 million Byelorussians dream of the days when, for a brief period, their homeland was free and they enjoyed independence. Today they observe the 42d anniversary of their proclamation of independence, and hope that soon they will celebrate it in a free and independent Byelorussia.

### Phenomenal Growth in Air Traffic Between Pacific Northwest and Hawaii

#### EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 24, 1960

Mr. PELLY. Mr. Speaker, the Pacific Northwest congratulates the Civil Aeronautics Board for its unanimous decision of last Friday in which it made the Northwest-Hawaii certificates of Northwest Airlines and Pan American World Airways permanent.

This order by the CAB is particularly significant inasmuch as the States of

Washington, Oregon, and Hawaii were indignantly unanimous in their insistence that they were right and the CAB examiner was wrong when he proposed to cut the air service in half.

The Board did not react to pressure; it reacted to logic. When the whole economic picture was spelled out before the Board by Government officials, business and civic organizations from Hawaii and the Pacific Northwest, the CAB lost little time registering its sharp disagreement with the recommendations of its examiner.

There are few sections of this country growing more rapidly than the Pacific Northwest. Addition of Hawaii to our Union of States necessarily means greater travel and commerce between Honolulu and the mainland. You can imagine the stunned reaction of the people in my area, Mr. Speaker, when we learned the CAB examiner proposed that a pattern of competition which had been operating for 12 years suddenly be abandoned and a monopoly substituted in its place.

The growth of Washington and Oregon demands more air service than heretofore. It does not necessarily mean a third carrier on this route, because new jet equipment, flying greater frequencies, will be adequate to meet accelerated travel demands.

Competition itself made this route successful, Mr. Speaker. Starting in